

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1
(Superseding First Revised Volume Nos. 1 and 1-A
and Original Volume No. 3)

Of

ANR PIPELINE COMPANY

Filed With The
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff Should
Be Addressed To:

Joan Collins
Manager, Tariffs and Compliance
ANR Pipeline Company
Mailing Address: P.O. Box 2446
Houston, TX 77252-2446
Courier address: 717 Texas Street
Houston, TX 77002-2761
Phone: (832) 320-5651
Fax: (832) 320-6651

TABLE OF CONTENTS

Second Revised Volume No. 1:	Sheet No.

Preliminary Statement	3
System Map	4
Schedule of Rates	5-18
Transporter's Use Matrix	19
EPC Charge Matrix	19A
Rate Schedule:	

ETS Enhanced Transportation Service	20
STS Small Transportation Service	26
FTS-1 Firm Transportation Service	31
FTS-2 Firm Transportation Service	37
FTS-3 Firm Transportation Service	42A
FTS-4 Firm Transportation Service	42H
FTS-4L Firm Transportation Service	42J
ITS Interruptible Transportation Service	43
IPLS Interruptible Parking and Lending Service	45A
IWS Interruptible Wheeling Service	45F
ITS-3 Interruptible Transportation Service	45I
FSS Firm Storage Service	46
DDS Deferred Delivery Service	52
MBS Market Balancing Service	55
NNS No-Notice Service	59
PTS-1 Pooling Transportation Service (Derivative)	63
PTS-2 Pooling Transportation Service (Firm)	65
PTS-3 Pooling Transportation Service (Interruptible)	68C
Southeast Area Gathering Service	68G
Form of Service Agreement	

(For Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3, FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS) Service Agreements	69
Master Service Agreement for Capacity Release Transactions	75A
Associated Liquefiabiles Agreement	75G
Transportation Service Request Form	76
General Terms and Conditions:	

1. Definitions	84
2. Requests for Transportation Service	93
3. Facilities Policy	101C.01
4. Receipt and Delivery Point Options	102
5. Transportation Service	103A
6. Nominations	108
7. Force Majeure	113
8. Operational Flow Order(s)	114
9. Priority of Requests for Service	117B
10. Scheduling and Curtailment of Services	119

TABLE OF CONTENTS
 (Continued)

Second Revised Volume No. 1:	Sheet No.
-----	-----
General Terms and Conditions (Continued)	

11. Pressure at Receipt Point(s) and Delivery Point(s)	123
12. Measurement and Measurement Equipment	123
13. Quality	129
14. Allocation of Receipts and Deliveries, Daily Balancing	132
15. Cashout and Trading of Monthly Imbalances.....	137.01
16. Spot Price Index	141A
17. Billing and Payment	144
18. Miscellaneous	146
19. Paper Pooling	150
20. Capacity Trading	151
21. Capacity Release Provisions	152
22. Right of First Refusal	162
23. Internet Site.....	162A
24. Federal Energy Regulatory Commission Annual Charge Adjustment.....	162C
25. Gas Research Institute Passthrough Provision	163
26. Reserved For Future Use	165
27. Reserved For Future Use	172
28. Reserved For Future Use	174
29. Deferred Transportation Cost Adjustment Provision	187.01
30. Negotiated Rates	188
31. Non-Conforming Agreements	190
32. Discounted Rates.....	191
33. Off-System Capacity.....	191A
34. Crediting of Penalty Revenues	191B
35. Reduction Options	192
36. Marshfield Resolution Contracts.....	193
37. Transporter's Use and Transporter's EPC Adjustment.....	195
38. Operational Purchases and Sales of Gas.....	196.01

TABLE OF CONTENTS

Original Volume No. 2

Rate Schedule	Description	Sheet No.

	Summary of Rates	16
X-1	Exchange Agreement with Midwestern Gas Transmission Company - Notice of Cancellation	31
X-2	Exchange Agreement with Midwestern Gas Transmission Company - Notice of Cancellation	45
X-3	Exchange Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	49
X-4	Exchange Agreement with Transcontinental Gas Pipe Line Corporation - Notice of Cancellation	57
X-5	Exchange Agreement with Trunkline Gas Company - Notice of Cancellation	60
X-6	Limited Term Sales Agreement with TransCanada Pipe Line Ltd. - Notice of Cancellation	63
X-7	Limited Term Sales Agreement with Great Lakes Gas Transmission Company - Notice of Cancellation	64
X-8	Exchange Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	65
X-9	Exchange Agreement with Pontchartrain Natural Gas System - Notice of Cancellation	66
X-10	Exchange Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	75
X-11	Transportation Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	76
X-12	Transportation Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	95
X-13	Transportation Agreement with Columbia Gas Transmission Corporation - Notice of Cancellation	112
X-14	Transportation and Storage Agreement with Natural Gas Pipeline Co. of America - Notice of Cancellation	133
X-15	Transportation Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	148
X-16	Exchange Agreement with Great Lakes Gas Transmission Company	151
X-17	Transportation and Exchange Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	163

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.
X-18	Exchange Agreement with Natural Gas Pipeline Company of America and Phillips Petroleum Company	180
X-19	Exchange Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	188
X-20	Exchange Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	189
X-21	Exchange Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	190
X-22	Transportation and Storage Agreement with Central Indiana Gas Company, Inc. - Notice of Cancellation	191
X-23	Transportation and Exchange Agreement with Texas Eastern Transmission Corporation and Florida Gas Transmission Company - Notice of Cancellation	206
X-24	Transportation and Storage Agreement with Wisconsin Southern Gas Company, Inc. - Notice of Cancellation	210
X-25	Transportation and Deferred Exchange Agreement with Trunkline Gas Company and Panhandle Eastern Pipe Line Company - Notice of Cancellation	225
X-26	Transportation Agreement with Northern Indiana Public Service Company - Notice of Cancellation	226
X-27	Exchange Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	227
X-28	Transportation and Exchange Agreement with Northern Natural Gas Company - Notice of Cancellation	228
X-29	Transportation and Storage Agreement with Natural Gas Pipe Line Company of America - Notice of Cancellation	229
X-30	Exchange Agreement with Trunkline Gas Company - Notice of Cancellation	230
X-31	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	231
X-32	Exchange Agreement with Great Lakes Gas Transmission Company and Northern Natural Gas Company- Notice of Cancellation	249
X-33	Transportation Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	259

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.

X-34	Transportation and Deferred Exchange Agreement with Trunkline Gas Company and Panhandle Eastern Pipe Line Company - Notice of Cancellation	263
X-35	Exchange Agreement with Southern Natural Gas Company - Notice of Cancellation	264
X-36	Transportation and Storage Agreement with Midwest Gas, formerly North Central Public Service Company, Great Lakes Gas Transmission Company and Northern Natural Gas Company - Notice of Cancellation	270
X-37	Exchange Agreement with Southern Natural Gas Company	278
X-38	Exchange Agreement with Southern Natural Gas Company - Notice of Cancellation	290
X-39	Exchange Agreement with Columbia Gulf Transmission Company - Notice of Cancellation	291
X-40	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	295
X-41	Transportation and Storage Agreement with the Peoples Gas Light and Coke Company - Notice of Cancellation	312
X-42	Exchange Agreement with Columbia Gas Transmission Corporation and Sea Robin Pipeline Corporation - Notice of Cancellation	313
X-43	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	323
X-44	Exchange Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	339
X-45	Exchange Agreement with Arkansas Louisiana Gas Company - Notice of Cancellation	353
X-46	Exchange Agreement with Michigan Consolidated Gas Company, Panhandle Eastern Pipe Line Company and Trunkline Gas Company - Notice of Cancellation	366
X-47	Exchange Agreement with Wisconsin Gas Company and Midwestern Gas Transmission Company - Notice of Cancellation	367
X-48	Deferred Exchange Agreement with Northern Natural Gas Company - Notice of Cancellation	380

Issued by: D. M. Ives, Vice President

Issued on: November 22, 1996

Effective on: December 1, 1996

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM95-3-000, issued September 28, 1995, 72 FERC ¶ 61,300

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.
-----	-----	-----
X-67	Exchange Agreement with El Paso Natural Gas Company - Notice of Cancellation	609
X-68	Exchange Agreement with El Paso Natural Gas Company - Notice of Cancellation	625
X-69	Transportation Agreement with El Paso Natural Gas Company - Notice of Cancellation	626
X-70	Sale, Exchange and Transportation Agreement with Kansas-Nebraska Natural Gas Company, Inc. - Notice of Cancellation	627
X-71	Transportation Agreement with United Gas Pipe Line Company - Notice of Cancellation	648
X-72	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	667
X-73	Transportation and Exchange Agreement with Transcontinental Gas Pipe Line Corporation - Notice of Cancellation	675
X-74	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	694
X-75	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	715
X-76	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	732
X-77	Gas Gathering and Transportation Agreement with Northwest Pipeline Corp. - Notice of Cancellation	735
X-78	Gas Gathering and Transportation Agreement with Northwest Pipeline Corp. - Notice of Cancellation	754
X-79	Transportation Agreement with El Paso Natural Gas Company - Notice of Cancellation	774
X-80	Exchange Agreement with Southern Natural Gas Company, Columbia Gulf Transmission Company and Columbia Gas Transmission Corporation - Notice of Cancellation	795
X-81	Transportation Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	809
X-82	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	824
X-83	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	825

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.

X-84	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	843
X-85	Exchange Agreement with Trunkline Gas Company - Notice of Cancellation	844
X-86	Transportation and Exchange Agreement with Colorado Interstate Gas Co. - Notice of Cancellation	865
X-87	Transportation Agreement with Columbia Gas Transmission Corporation - Notice of Cancellation	898
X-88	Transportation Agreement with Transcontinental Gas Pipeline Corporation - Notice of Cancellation	917
X-89	Exchange Agreement with Transwestern Pipeline Co. - Notice of Cancellation	936
X-90	Transportation Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	949
X-91	Transportation Agreement with United Gas Pipeline Company - Notice of Cancellation	968
X-92	Transportation Agreement with Panhandle Eastern Pipe Line Company - Notice of Cancellation	988
X-93	Transportation Agreement with Panhandle Eastern Pipe Line Company - Notice of Cancellation	1006
X-94	Transportation Agreement with Mississippi River Transmission Corporation - Notice of Cancellation	1024
X-95	Transportation Agreement with Northern Indiana Public Service Company - Notice of Cancellation	1042
X-96	Transportation and Exchange Agreement with Tennessee Gas Pipeline Company and Southern Natural Gas Company - Notice of Cancellation	1060
X-97	Exchange Agreement with Texas Eastern Transmission Corporation - Notice of Cancellation	1076
X-98	Exchange Agreement with Transcontinental Gas Pipe Line Corporation and Texas Eastern Transmission Corporation - Notice of Cancellation	1094
X-99	Transportation Agreement with United Cities Gas Company - Notice of Cancellation	1104
X-100	Transportation and Exchange Agreement with Great Lakes Gas Transmission Company	1122

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.
X-101	Transportation and Exchange Agreement with Great Lakes Gas Transmission Company	1140
X-102	Transportation Agreement with Panhandle Eastern Pipe Line Company - Notice of Cancellation	1157
X-103	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	1158
X-104	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	1159
X-105	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	1179
X-106	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	1198
X-107	Transportation Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	1216
X-108	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	1236
X-109	Transportation Agreement with Columbia Gas Transmission Corporation - Notice of Cancellation	1255
X-110	Transportation Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	1274
X-111	Transportation Agreement with Tennessee Gas Pipeline Company - Notice of Cancellation	1293
X-112	Transportation Agreement with Mid Louisiana Gas Company - Notice of Cancellation	1312
X-113	Exchange Agreement with Union Oil Company of California - Notice of Cancellation	1330
X-114	Exchange Agreement with Northern Natural Gas Company and Midwestern Gas Transmission Company - Notice of Cancellation	1333
X-115	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	1334
X-116	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	1359
X-117	Transportation and Exchange Agreement with Great Lakes Gas Transmission Company	1384
X-118	Transportation Agreement with Natural Gas Pipe Line Company of America - Notice of Cancellation	1404

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule -----	Description -----	Sheet No. -----
X-119	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	1423
X-120	Transportation Agreement with Texas Eastern Transmission Corporation - Notice of Cancellation	1441
X-121	Transportation Agreement with Tennessee Gas Pipeline Company, a Division of Tenneco, Inc. - Notice of Cancellation	1460
X-122	Transportation Agreement with Texas Eastern Transmission Corporation - Notice of Cancellation	1480
X-123	Transportation Agreement with Northern Natural Gas Company - Notice of Cancellation	1493
X-124	Transportation Agreement with United Gas Pipe Line Company - Notice of Cancellation	1518
X-125	Exchange Agreement with Northern Natural Gas Company - Notice of Cancellation	1536
X-126	Transportation Agreement with El Paso Natural Gas Company - Notice of Cancellation	1539
X-127	Transportation Agreement with Tennessee Gas Pipeline Company, a Division of Tenneco, Inc. - Notice of Cancellation	1548
X-128	Exchange Agreement with Panhandle Eastern Pipe Line Company - Notice of Cancellation	1566
X-129	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	1579
X-130	Transportation Agreement with Natural Gas Pipeline Company of America - Notice of Cancellation	1580
X-131	Exchange Agreement with Panhandle Eastern Pipe Line Company - Notice of Cancellation	1589
X-132	Gas Displacement and Exchange Agreement with Michigan Consolidated Gas Company	1592
X-133	Transportation Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	1601
X-134	Transportation Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	1606

Issued by: D. M. Ives, Vice President

Issued on: May 2, 1997

Effective on: May 2, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. CP94-108-000, issued March 4, 1994, 66 FERC ¶ 62,123

TABLE OF CONTENTS

Original Volume No. 2 (cont.)

Rate Schedule	Description	Sheet No.
X-135	Transportation Agreement with Texas Eastern Transmission Corporation - Notice of Cancellation	1611
X-136	Exchange Agreement with Columbia Gas Transmission Corporation - Notice of Cancellation	1624
X-137	Transportation Agreement with Great Plains Gasification Associates - Notice of Cancellation	1627
X-138	Exchange Agreement with United Gas Pipe Line Company - Notice of Cancellation	1635
X-139	Transportation Agreement with MAPCO Fractionator, Inc. - Notice of Cancellation	1651
X-140	Transportation Agreement with Texas Eastern Transmission Corporation - Notice of Cancellation	1662
X-141	Transportation Agreement with Mid Louisiana Gas Company - Notice of Cancellation	1679
X-142	Transportation Agreement with Chevron Chemical Company - Notice of Cancellation	1688
X-143	Transportation Agreement with Indiana Glass Company Notice of Cancellation	1695
X-144	Transportation Agreement with CF Industries, Inc. - Notice of Cancellation	1704
X-145	Exchange Agreement with Consumers Power Company - Notice of Cancellation	1712
X-146	Transportation Agreement with Southern Natural Gas Company - Notice of Cancellation	1716
X-147	Transportation Agreement with Michigan Consolidated Gas Company - Notice of Cancellation	1734
X-148	Transportation Agreement with Shepherd Oil, Inc. and ANR Production Company - Notice of Cancellation	1748
X-149	Transportation Agreement with Bridgeline Gas Distribution Company - Notice of Cancellation	1756
X-150	Transportation Agreement with American Petrofina Company of Texas, Louisiana Resources Company and Faustina Pipe Line Company - Notice of Cancellation	1777
X-151	Transportation Agreement with Trunkline Gas Company - Notice of Cancellation	1798
X-152	Transportation Agreement with Amoco Production Company - Notice of Cancellation	1818
X-153	Transportation Agreement with Texas Gas Transmission Corporation - Notice of Cancellation	1829

PRELIMINARY STATEMENT

This Second 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.

Reserved for ANR Area Map

Reserved for Southeast Area Map

Reserved for Southeast Southern Map

Reserved for Southeast Central Map

Reserved for Southwest Area Map

Reserved for Southwest Southern Map

Reserved for Southwest Central Map

Reserved for Northern Area Map

Reserved for Future Use.

Reserved for Future Use.

Reserved for Future Use.

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 Segment (ML-7)
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	
SOUTHEAST AREA (SE)	- Res		\$7.1080	\$8.8580		\$13.3580	\$11.8580	\$10.3580
	- Cmd		0.0105	0.0125		0.0175	0.0160	0.0140
	- MIN		0.0105	0.0125		0.0175	0.0160	0.0140
	- Ovrn		0.2442	0.3037		0.4567	0.4059	0.3545
SE - Southern (ML-2)	- Res		\$5.3580	\$7.1080		\$11.6080	\$10.1080	\$8.6080
	- Cmd		0.0085	0.0105		0.0155	0.0140	0.0120
	- MIN		0.0085	0.0105		0.0155	0.0140	0.0120
	- Ovrn		0.1847	0.2442		0.3971	0.3463	0.2950
SE - Central (ML-3)	- Res		\$7.1080	\$5.1080		\$9.6080	\$8.1080	\$6.6080
	- Cmd		0.0105	0.0080		0.0130	0.0115	0.0095
	- MIN		0.0105	0.0080		0.0130	0.0115	0.0095
	- Ovrn		0.2442	0.1759		0.3289	0.2781	0.2267
SOUTHWEST AREA (SW)	- Res		\$13.6080	\$11.6080		\$6.8580	\$8.3580	\$9.8580
	- Cmd		0.0205	0.0180		0.0125	0.0145	0.0160
	- MIN		0.0205	0.0180		0.0125	0.0145	0.0160
	- Ovrn		0.4679	0.3996		0.2380	0.2893	0.3401
SW - Southern (ML-5)	- Res		\$11.6080	\$9.6080		\$4.8580	\$6.3580	\$7.8580
	- Cmd		0.0155	0.0130		0.0075	0.0095	0.0110
	- MIN		0.0155	0.0130		0.0075	0.0095	0.0110
	- Ovrn		0.3971	0.3289		0.1672	0.2185	0.2693
SW - Central (ML-6)	- Res		\$10.1080	\$8.1080		\$6.3580	\$4.8580	\$6.3580
	- Cmd		0.0140	0.0115		0.0095	0.0080	0.0095
	- MIN		0.0140	0.0115		0.0095	0.0080	0.0095
	- Ovrn		0.3463	0.2781		0.2185	0.1677	0.2185
NORTHERN (ML-7)	- Res		\$8.6080	\$6.6080		\$7.8580	\$6.3580	\$4.8580
	- Cmd		0.0120	0.0095		0.0110	0.0095	0.0075
	- MIN		0.0120	0.0095		0.0110	0.0095	0.0075
	- Ovrn		0.2950	0.2267		0.2693	0.2185	0.1672

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth on Sheet No. 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, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet Nos. 17 and 18 reflect the applicable charges and surcharges under these Sections.

MATRIX OF VOLUMETRIC BASE TARIFF RATES PER DTH
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	DELIVERED TO	SOUTHWEST MAINLINE	SOUTHEAST MAINLINE	NORTHERN SEGMENT

RATE SCHEDULE STS				

SOUTHWEST AREA		\$.9223	\$1.0985	\$.8615
SOUTHEAST AREA		1.0105	1.0168	.9247
NORTHERN SEGMENT		.8588	.9150	.6781
RATE SCHEDULE ETS				
For Small Shipper Service Option				

SOUTHWEST AREA		\$.8350	\$1.3641	\$.9810
SOUTHEAST AREA		1.4518	1.0136	1.1596
NORTHERN SEGMENT		.7784	.8693	.4862
RATE SCHEDULE FTS-1				
For Small Shipper Service Option				

SOUTHWEST AREA		\$.7744	\$1.3035	\$.9204
SOUTHEAST AREA		1.3912	.9531	1.0990
NORTHERN SEGMENT		.7178	.8087	.4256

General Note:

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheets Nos. 17 and 18 reflect the applicable charges and surcharges under these Sections.

RATE SCHEDULE 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 Segment (ML-7)
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	
SOUTHEAST AREA (SE)	- Res	\$1.7500	\$6.5000	\$8.2500	\$14.7500	\$12.7500	\$11.2500	\$9.7500
	- Cmd	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
	- MIN	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
	- Ovrn	0.0595	0.2242	0.2837	0.5074	0.4367	0.3859	0.3345
SE - Southern (ML-2)	- Res	\$6.5000	\$4.7500	\$6.5000	\$13.0000	\$11.0000	\$9.5000	\$8.0000
	- Cmd	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
	- MIN	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
	- Ovrn	0.2242	0.1647	0.2242	0.4479	0.3771	0.3263	0.2750
SE - Central (ML-3)	- Res	\$8.2500	\$6.5000	\$4.5000	\$11.0000	\$9.0000	\$7.5000	\$6.0000
	- Cmd	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095
	- MIN	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095
	- Ovrn	0.2837	0.2242	0.1559	0.3796	0.3089	0.2581	0.2068
SOUTHWEST AREA (SW)	- Res	\$14.7500	\$13.0000	\$11.0000	\$2.0000	\$6.2500	\$7.7500	\$9.2500
	- Cmd	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
	- MIN	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
	- Ovrn	0.5074	0.4479	0.3796	0.0706	0.2180	0.2693	0.3201
SW - Southern (ML-5)	- Res	\$12.7500	\$11.0000	\$9.0000	\$6.2500	\$4.2500	\$5.7500	\$7.2500
	- Cmd	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
	- MIN	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
	- Ovrn	0.4367	0.3771	0.3089	0.2180	0.1472	0.1985	0.2494
SW - Central (ML-6)	- Res	\$11.2500	\$9.5000	\$7.5000	\$7.7500	\$5.7500	\$4.2500	\$5.7500
	- Cmd	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095
	- MIN	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095
	- Ovrn	0.3859	0.3263	0.2581	0.2693	0.1985	0.1477	0.1985
NORTHERN (ML-7)	- Res	\$9.7500	\$8.0000	\$6.0000	\$9.2500	\$7.2500	\$5.7500	\$4.2500
	- Cmd	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075
	- MIN	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075
	- Ovrn	0.3345	0.2750	0.2068	0.3201	0.2494	0.1985	0.1472

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth on Sheet No. 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, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet Nos. 17 and 18 reflect the applicable charges and surcharges under these Sections.

RATE SCHEDULES FTS-1 & ETS
RESERVATION AND COMMODITY CHARGES
FIRM TRANSPORTATION SERVICES

WISCONSIN 2009 PROJECT
Docket No. CP08-465

Applicable to Customers Utilizing Capacity Pursuant to Incremental Facility
Expansion

MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY SERVICE TYPE

<u>RATE SCHEDULE FTS-1</u>	<u>RATE</u>
Reservation (Res)	\$6.2020
Commodity (Comm)	0.0075
Minimum (MIN)	0.0075
Overrun (Ovrn)	0.2114

<u>RATE SCHEDULE ETS</u>	<u>RATE</u>
Reservation (Res)	\$6.8100
Commodity (Comm)	0.0075
Minimum (MIN)	0.0075
Overrun (Ovrn)	0.2314

General Notes:

Rates shown above are applicable to transportation services authorized in Docket No. CP08-465, Wisconsin 2009 Expansion Project, under contract id(s) 114489, 114492, 114498, 114499, 114500, 114501, 114502, 114503, 114504, 114505, 114512, 114667 and 114677. The total rate charged for the incremental service provided under these contracts shall equal the Reservation and Commodity rates as reflected above. Shippers moving gas outside their primary path as defined in the respective contract, but within ML-7, are subject to the full ML-7 rate as an add-on for recourse rate purposes. The rates represent maximum rates unless designated as minimum firm service rates (MIN).

These rates also apply to any superseding or superseded service.

Interruptible service shall be charged the applicable Rate Schedule ITS rate as set forth on Sheet No. 9.

These services shall be charged the applicable Transporter's Use and EPC Charge.

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, under Section 24 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under this Section.

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

RECEIVED FROM	DELIVERED TO	SOUTHEAST			SOUTHWEST			NORTHERN Segment (ML-7)
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	
SOUTHEAST AREA (SE)	- Res	\$1.1510	\$4.2740	\$5.4250	\$9.6980	\$8.3830	\$7.3970	\$6.4110
	- Cmd	0.0217	0.0837	0.1054	0.1887	0.1611	0.1427	0.1238
	- MIN	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
	- Ovrn	0.0595	0.2364	0.2837	0.5074	0.4366	0.3900	0.3345
SE - Southern (ML-2)	- Res	\$4.2740	\$3.1230	\$4.2740	\$8.5470	\$7.2320	\$6.2460	\$5.2600
	- Cmd	0.0837	0.0620	0.0837	0.1670	0.1394	0.1210	0.1021
	- MIN	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
	- Ovrn	0.2364	0.1769	0.2242	0.4479	0.3771	0.3305	0.2750
SE - Central (ML-3)	- Res	\$5.4250	\$4.2740	\$2.9590	\$7.2320	\$5.9170	\$4.9310	\$3.9450
	- Cmd	0.1054	0.0837	0.0587	0.1420	0.1144	0.0960	0.0771
	- MIN	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095
	- Ovrn	0.2837	0.2242	0.1437	0.3674	0.2966	0.2500	0.1945
SOUTHWEST AREA (SW)	- Res	\$9.6980	\$8.5470	\$7.2320	\$1.3150	\$4.1090	\$5.0950	\$6.0810
	- Cmd	0.1887	0.1670	0.1420	0.0276	0.0830	0.1019	0.1203
	- MIN	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
	- Ovrn	0.5074	0.4479	0.3674	0.0708	0.2138	0.2693	0.3201
SW - Southern (ML-5)	- Res	\$8.3830	\$7.2320	\$5.9170	\$4.1090	\$2.7940	\$3.7800	\$4.7660
	- Cmd	0.1611	0.1394	0.1144	0.0830	0.0554	0.0743	0.0927
	- MIN	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
	- Ovrn	0.4366	0.3771	0.2966	0.2138	0.1430	0.1985	0.2493
SW - Central (ML-6)	- Res	\$7.3970	\$6.2460	\$4.9310	\$5.0950	\$3.7800	\$2.7940	\$3.7800
	- Cmd	0.1427	0.1210	0.0960	0.1019	0.0743	0.0559	0.0743
	- MIN	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095
	- Ovrn	0.3900	0.3305	0.2500	0.2693	0.1985	0.1519	0.2027
NORTHERN (ML-7)	- Res	\$6.4110	\$5.2600	\$3.9450	\$6.0810	\$4.7660	\$3.7800	\$2.7940
	- Cmd	0.1238	0.1021	0.0771	0.1203	0.0927	0.0743	0.0554
	- MIN	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075
	- Ovrn	0.3345	0.2750	0.1945	0.3201	0.2493	0.2027	0.1472

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth on Sheet No. 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, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet Nos. 17 and 18 reflect the applicable charges and surcharges under these Sections.

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 Segment (ML-7)
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	
SOUTHEAST AREA (SE)	- Del	\$0.8750	\$3.2500	\$4.1250	\$7.3750	\$6.3750	\$5.6250	\$4.8750
	- Cap	0.0288	0.1069	0.1357	0.2427	0.2098	0.1851	0.1604
	- Cmd	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
	- Min	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
SE - Southern (ML-2)	- Del	\$3.2500	\$2.3750	\$3.2500	\$6.5000	\$5.5000	\$4.7500	\$4.0000
	- Cap	0.1069	0.0781	0.1069	0.2139	0.1810	0.1563	0.1316
	- Cmd	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
	- Min	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
SE - Central (ML-3)	- Del	\$4.1250	\$3.2500	\$2.2500	\$5.5000	\$4.5000	\$3.7500	\$3.0000
	- Cap	0.1357	0.1069	0.0740	0.1810	0.1481	0.1234	0.0987
	- Cmd	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095
	- Min	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
SOUTHWEST AREA (SW)	- Del	\$7.3750	\$6.5000	\$5.5000	\$1.0000	\$3.1250	\$3.8750	\$4.6250
	- Cap	0.2427	0.2139	0.1810	0.0329	0.1028	0.1275	0.1522
	- Cmd	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
	- Min	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
SW - Southern (ML-5)	- Del	\$6.3750	\$5.5000	\$4.5000	\$3.1250	\$2.1250	\$2.8750	\$3.6250
	- Cap	0.2098	0.1810	0.1481	0.1028	0.0699	0.0946	0.1193
	- Cmd	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
	- Min	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
SW - Central (ML-6)	- Del	\$5.6250	\$4.7500	\$3.7500	\$3.8750	\$2.8750	\$2.1250	\$2.8750
	- Cap	0.1851	0.1563	0.1234	0.1275	0.0946	0.0699	0.0946
	- Cmd	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095
	- Min	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095
	- Ovrn	1/	1/	1/	1/	1/	1/	1/
NORTHERN (ML-7)	- Del	\$4.8750	\$4.0000	\$3.0000	\$4.6250	\$3.6250	\$2.8750	\$2.1250
	- Cap	0.1604	0.1316	0.0987	0.1522	0.1193	0.0946	0.0699
	- Cmd	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075
	- Min	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075
	- Ovrn	1/	1/	1/	1/	1/	1/	1/

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

	Deliverability	Capacity	Commodity	Minimum
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Enhancement Services Option 2/	\$0.9720	\$0.0320	\$0.0024	\$0.0024
2 Hour Notice Service 2/	\$2.1530	\$0.0708	\$0.0126	\$0.0126
Balancing Service 2/	\$0.1725	\$0.0057	\$0.0002	\$0.0002

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth on Sheet No. 12A 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, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under these Sections.

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 Segment (ML-7)
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	
SOUTHEAST AREA (SE)	- Cmd	\$0.0595	\$0.2364	\$0.2837	\$0.5074	\$0.4366	\$0.3900	\$0.3345
	- MIN	0.0020	0.0105	0.0125	0.0225	0.0175	0.0160	0.0140
SE - Southern (ML-2)	- Cmd	\$0.2364	\$0.1769	\$0.2242	\$0.4479	\$0.3771	\$0.3305	\$0.2750
	- MIN	0.0105	0.0085	0.0105	0.0205	0.0155	0.0140	0.0120
SE - Central (ML-3)	- Cmd	\$0.2837	\$0.2242	\$0.1437	\$0.3674	\$0.2966	\$0.2500	\$0.1945
	- MIN	0.0125	0.0105	0.0080	0.0180	0.0130	0.0115	0.0095

SOUTHWEST AREA (SW)	- Cmd	\$0.5074	\$0.4479	\$0.3674	\$0.0708	\$0.2138	\$0.2693	\$0.3201
	- MIN	0.0225	0.0205	0.0180	0.0050	0.0125	0.0145	0.0160
SW - Southern (ML-5)	- Cmd	\$0.4366	\$0.3771	\$0.2966	\$0.2138	\$0.1430	\$0.1985	\$0.2493
	- MIN	0.0175	0.0155	0.0130	0.0125	0.0075	0.0095	0.0110
SW - Central (ML-6)	- Cmd	\$0.3900	\$0.3305	\$0.2500	\$0.2693	\$0.1985	\$0.1519	\$0.2027
	- MIN	0.0160	0.0140	0.0115	0.0145	0.0095	0.0080	0.0095

NORTHERN (ML-7)	- Cmd	\$0.3345	\$0.2750	\$0.1945	\$0.3201	\$0.2493	\$0.2027	\$0.1472
	- MIN	0.0140	0.0120	0.0095	0.0160	0.0110	0.0095	0.0075

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth on Sheet No. 13 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, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet Nos. 17 and 18 reflect the applicable charges and surcharges under these Sections.

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

	Maximum Rate -----	Minimum Rate -----
ITS-3 1/	\$1.2067	\$0.0277
IPLS 1/	\$0.2894	\$0.0000
IWS 1/- Joliet Hub	\$0.1574	\$0.0000
IWS 1/ - Lebanon Hub	\$0.1475	\$0.0000

1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under these Sections.

STATEMENT OF RATES FOR STORAGE OF NATURAL GAS
 RATE SCHEDULE FSS 1/

	Maximum Rate per Dth -----	Minimum Rate per Dth -----	Maximum Daily Capacity Release Rate per Dth -----
With Ratchets and Seasonal Entitlements -----			
1. Reservation Rate			
a. Deliverability Rate	\$ 2.04	\$ 0	\$ 0.0671
b. Capacity Rate	\$.4000	\$ 0	\$ 0.0011
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
With Ratchets and Flexible Entitlements -----			
1. Reservation Rate			
a. Deliverability Rate	\$ 2.45	\$ 0	\$ 0.0805
b. Capacity Rate	\$.4000	\$ 0	\$ 0.0011
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
Without Ratchets and Seasonal Entitlements -----			
1. Reservation Rate			
a. Deliverability Rate	\$ 2.60	\$ 0	\$ 0.0855
b. Capacity Rate	\$.4000	\$ 0	\$ 0.0011
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
Without Ratchets and Flexible Entitlements -----			
1. Reservation Rate			
a. Deliverability Rate	\$ 3.00	\$ 0	\$ 0.0986
b. Capacity Rate	\$.4000	\$ 0	\$ 0.0011
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
RATE SCHEDULE DDS 3/ -----			
1. Storage Commodity Rate	\$.0874	\$ 0.0126	

- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheets No. 17 reflects the applicable charges and surcharges under these Sections.
- 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 Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under these Sections.

RATE SCHEDULE FSS
 RESERVATION AND COMMODITY CHARGES
 FIRM STORAGE SERVICE 1/ 3/

APPLICABLE TO CUSTOMERS UTILIZING CAPACITY PURSUANT TO INCREMENTAL FACILITY EXPANSIONS:

Docket No. CP06-464 (Cold Springs 1 Storage Project):

	Maximum Rate per Dth	Minimum Rate per Dth	Maximum Daily Capacity Release Rate per Dth

With Ratchets and Seasonal Entitlements			

1. Reservation Rate			
a. Deliverability Rate	\$ 2.28	\$ 0	\$ 0.0750
b. Capacity Rate	\$.4818	\$ 0	\$ 0.0013
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
With Ratchets and Flexible Entitlements			

1. Reservation Rate			
a. Deliverability Rate	\$ 2.68	\$ 0	\$ 0.0881
b. Capacity Rate	\$.4818	\$ 0	\$ 0.0013
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
Without Ratchets and Seasonal Entitlements			

1. Reservation Rate			
a. Deliverability Rate	\$ 2.85	\$ 0	\$ 0.0937
b. Capacity Rate	\$.4818	\$ 0	\$ 0.0013
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	
Without Ratchets and Flexible Entitlements			

1. Reservation Rate			
a. Deliverability Rate	\$ 3.25	\$ 0	\$ 0.1068
b. Capacity Rate	\$.4818	\$ 0	\$ 0.0013
2. Commodity Rate			
Injection/Withdrawal	\$ 0.0126	\$ 0.0126	
3. Overrun Service Rate	2/	\$ 0.0126	

RATE SCHEDULE DDS 1/

1. Storage Commodity Rate	\$.0993	\$ 0.0126
---------------------------	----------	-----------

- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges under Section 24 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under this Section.
- 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 on Sheet No. 19 and 19A.

STATEMENT OF RATES PER DTH FOR SERVICE RENDERED
UNDER RATE SCHEDULE NNS and MBS

RATE SCHEDULE NNS 1/

1. Reservation Rate	\$6.250
2. Commodity Rate	0.0150
3. Overrun Service Rate	0.3232
4. Capacity Release Daily Reservation Rate	0.2055

RATE SCHEDULE MBS 1/

1. Daily Delivery Rate	
a. Northern Segment	0.1926
b. Southeast Mainline	0.3198
c. Southwest Mainline	0.2896
2. Capacity Rate	\$0.0333
3. Commodity Rate 2/	
a. Northern Segment Delivery	\$0.0162
b. Southeast Mainline Delivery	0.0184
c. Southwest Mainline Delivery	0.0179
4. Overrun Service Rate	\$0.3232

1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under these Sections.

2/ The minimum rate(s) for Rate Schedule MBS shall be equal to the applicable Commodity Rate.

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

RATE SCHEDULE AND TYPE OF SERVICE ----- (Col. 1)	MAXIMUM RATE PER DTH -----		MINIMUM RATE PER DTH ----- (Col. 4)	MAXIMUM DAILY CAPACITY RELEASE RATE PER DTH ----- (Col. 5)
	RESERVATION RATE ----- (Col. 2)	COMMODITY RATE ----- (Col. 3)		
RATE SCHEDULES FTS-1, FTS-4, FTS-4L, ETS (1) AND PTS-2 -----				
1. Rate				
a. Mainline - Access	\$2.750	\$0.0060	\$0.0060	\$0.0904
b. Mainline - Southwest Southern Segment	1.500	0.0015	0.0015	0.0493
c. Mainline - Southwest Central Segment	1.500	0.0020	0.0020	0.0493
d. Mainline - Southeast Southern Segment	2.000	0.0025	0.0025	0.0658
e. Mainline - Southeast Central Segment	1.750	0.0020	0.0020	0.0575
f. Mainline - Northern Segment	1.500	0.0015	0.0015	0.0493
g. Southeast Area - Transmission (2)	1.750	0.0020	0.0020	0.0575
h. Southwest Area - Transmission (2)	2.000	0.0050	0.0050	0.0658
2. ETS Mainline Rate Increment (1)	\$0.608	\$0.0000	\$0.0000	\$0.0200
3. Overrun Service Rate	(3)	(3)	(3)	
RATE SCHEDULE FTS-2 -----				
1. Rate				
a. Mainline - Access	\$1.808	\$0.0370	\$0.0060	\$0.0594
b. Mainline - Southwest Southern Segment	0.986	0.0184	0.0015	0.0324
c. Mainline - Southwest Central Segment	0.986	0.0189	0.0020	0.0324
d. Mainline - Southeast Southern Segment	1.315	0.0250	0.0025	0.0432
e. Mainline - Southeast Central Segment	1.151	0.0217	0.0020	0.0378
f. Mainline - Northern Segment	0.986	0.0184	0.0015	0.0324
g. Southeast Area - Transmission	1.151	0.0217	0.0020	0.0378
h. Southwest Area - Transmission	1.315	0.0276	0.0050	0.0432
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 each segment is equal to the FTS-1 Mainline Mileage rate. For Rate Schedule ETS an incremental reservation rate of \$.608 is charged. 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 on Sheet Nos. 5, 7 or 8 (which ever is applicable) and/or 68G, that Transporter would otherwise charge for transportation to or from those additional Rate Segments, or portions thereof.			

STATEMENT OF RATES PER DTH FOR SERVICES RENDERED
 UNDER RATE SCHEDULE FTS-3

Reservation Rate

Description	Deliverability Rate	Capacity Rate	Commodity Rate	Minimum Rate	Overrun Rate
Base Rate 1/					
Mainline - Access	\$1.3750	\$0.0452	\$0.0060	\$0.0060	2/
Mainline - SW - Southern	\$0.7500	\$0.0247	\$0.0015	\$0.0015	2/
Mainline - SW - Central	\$0.7500	\$0.0247	\$0.0020	\$0.0020	2/
Mainline - SE - Southern	\$1.0000	\$0.0329	\$0.0025	\$0.0025	2/
Mainline - SE - Central	\$0.8750	\$0.0288	\$0.0020	\$0.0020	2/
Mainline - Northern	\$0.7500	\$0.0247	\$0.0015	\$0.0015	2/
Southeast Area	\$0.8750	\$0.0288	\$0.0020	\$0.0020	2/
Southwest Area	\$1.0000	\$0.0329	\$0.0050	\$0.0050	2/
Enhancement Services Option 3/	\$0.9720	\$0.0320	\$0.0024	\$0.0024	
2 Hour Notice Service 3/	\$2.1530	\$0.0708	\$0.0126	\$0.0126	
Balancing Service 3/	\$0.1725	\$0.0057	\$0.0002	\$0.0002	

1/ The rate shown are subject to all applicable reservation and volumetric charges or surcharges, under Sections 24 and 29 of the General Terms and Conditions of this Tariff. Sheet No. 17 reflects the applicable charges and surcharges under these Sections.

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
 (CONTINUED)

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	\$0.0964	\$0.0060
b. Mainline - Southwest Southern Segment	0.0466	0.0015
c. Mainline - Southwest Central Segment	0.0555	0.0020
d. Mainline - Southeast Southern Segment	0.0805	0.0025
e. Mainline - Southeast Central Segment	0.0473	0.0020
f. Mainline - Northern Segment	0.0508	0.0015
g. Southwest Area (1)	0.0708	0.0050
h. Southeast Area (1)	0.0595	0.0020

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

SHEET NO. 14 IS RESERVED FOR FUTURE USE.

SHEET NO. 14A IS RESERVED FOR FUTURE USE.

SHEET NO. 14B IS RESERVED FOR FUTURE USE.

SHEET NO. 14C IS RESERVED FOR FUTURE USE.

SHEET NO. 14D IS RESERVED FOR FUTURE USE.

SHEET NO. 14E IS RESERVED FOR FUTURE USE.

SHEET NO. 14F IS RESERVED FOR FUTURE USE.

SHEET NO. 14G IS RESERVED FOR FUTURE USE.

SHEET NO. 14H IS RESERVED FOR FUTURE USE.

SHEET NO. 14I IS RESERVED FOR FUTURE USE.

SHEET NO. 14J IS RESERVED FOR FUTURE USE.

SHEET NO. 14K IS RESERVED FOR FUTURE USE.

SHEET NO. 14L IS RESERVED FOR FUTURE USE.

SHEET NO. 14M IS RESERVED FOR FUTURE USE.

SHEET NO. 14N IS RESERVED FOR FUTURE USE.

SHEET NO. 140 IS RESERVED FOR FUTURE USE.

SHEET NO. 140.01 IS RESERVED FOR FUTURE USE.

SHEET NO. 14P IS RESERVED FOR FUTURE USE.

SHEET NO. 14P.01 IS RESERVED FOR FUTURE USE.

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:

$$(a \times b) - x = d$$

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.

SHEET NO. 14R IS RESERVED FOR FUTURE USE.

SHEET NO. 15 IS RESERVED FOR FUTURE USE.

SHEET NO. 16 IS RESERVED FOR FUTURE USE.

STATEMENT OF SURCHARGES
 (Continued)

General Terms and Conditions Section	Particulars	Maximum Rate Per Dth	Minimum Rate Per Dth
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	(\$0.0036)	(\$0.0036)
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/	\$0.0019	\$0.0019
29	Deferred Transportation Cost Rate Adjustment as described in Section 29 of the General Terms and Conditions of this Tariff	See Sheet Nos. 17A and 17B	

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

STATEMENT OF DEFERRED TRANSPORTATION COST ADJUSTMENT (1)

RATE SCHEDULE	RATE ADJUSTMENTS PER DTH (2)
<u>MAINLINE - ACCESS RATE ADJUSTMENTS FOR ETS, FTS-1, FTS-2, FTS-4, FTS-4L AND ITS SERVICES</u>	
FTS-1, FTS-4, FTS-4L & ETS	Reservation (\$0.0800)
	Commodity (\$0.0003)
FTS-2	Reservation (\$0.0530)
	Commodity (\$0.0012)
ITS	Commodity (\$0.0029)
<u>RATE ADJUSTMENTS FOR FTS-3 AND ITS-3 SERVICES</u>	
FTS-3	Deliverability (\$0.0400)
	Capacity (\$0.0013)
	Commodity (\$0.0003)
FTS-3 (Enhancement Service Option)	Deliverability (\$0.0235)
	Capacity (\$0.0008)
	Commodity (\$0.0002)
FTS-3 (2-Hour Notice Service Option)	Deliverability (\$0.0220)
	Capacity (\$0.0007)
	Commodity (\$0.0005)
ITS-3	Commodity (\$0.0150)
<u>RATE ADJUSTMENTS FOR MBS AND NNS SERVICES</u>	
MBS	Daily Delivery (All Segments) (\$0.0024)
	Capacity (\$0.0004)
	Commodity (All Segments) (\$0.0007)
	Overrun (\$0.0051)
NNS	Reservation (\$0.0910)
	Commodity (\$0.0007)
	Overrun (\$0.0051)
<u>RATE ADJUSTMENTS FOR IPLS AND IWS SERVICES</u>	
IPLS	Commodity (\$0.0029)
IWS	Commodity (\$0.0029)
<u>RATE ADJUSTMENTS FOR STS, STS (ETS) & STS (FTS) SERVICES</u>	
STS (All Segments)	(\$0.0107)
STS (ETS) (All Segments)	(\$0.0083)
STS (FTS) (All Segments)	(\$0.0083)

STATEMENT OF DEFERRED TRANSPORTATION COST ADJUSTMENT (1)
 (Continued)

RATE SCHEDULE	RATE ADJUSTMENTS PER DTH (2)
<u>RATE ADJUSTMENTS FOR FSS AND DDS SERVICES</u>	
FSS Without Ratchets	
Deliverability	(\$0.0320)
Capacity	(\$0.0049)
Commodity	(\$0.0005)
FSS With Ratchets	
Deliverability	(\$0.0260)
Capacity	(\$0.0049)
Commodity	(\$0.0005)
DDS	
Commodity	(\$0.0011)

- (1) Deferred Transportation Cost Adjustment pursuant to Section 29 of General Terms and Conditions of this Tariff.
 (2) Minimum rate per Dth is \$0.0000.

STATEMENT OF SURCHARGES
(Continued)

General Terms and Conditions Section -----	Particulars -----	Maximum Rate per Dth -----
Other	Associated Liquids Charge applicable to ETS, FTS-1, FTS-2, STS and ITS service.	As stated as an Exhibit to the Agreement. 1/

1. Charges for Liquids transportation will be based on Article III of Appendix E of the Settlement Agreement in Docket Nos. RP79-39, RP80-100, RP81-61 and RP82-80, or such other charges as may from time to time be applicable.

ANR PIPELINE COMPANY
 TRANSPORTER'S USE (%)

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

		(PERCENTAGE)						
		SOUTHEAST			SOUTHWEST			
TO:		S.E. AREA	SOUTHERN SEGMENT	CENTRAL SEGMENT	S.W. AREA	SOUTHERN SEGMENT	CENTRAL SEGMENT	NORTHERN SEGMENT
---	---	(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
FROM:	----							
	SOUTHEAST AREA (SE)	0.27	1.62	2.74	1.02	1.85	3.23	3.23
	S.E. SOUTHERN SEGMENT (ML-2)	--	1.47	2.59	0.87	1.70	3.08	3.08
	S.E. CENTRAL SEGMENT (ML-3)	--	--	1.24	0.00	0.35	1.73	1.73
	SOUTHWEST AREA (SW)	0.69	2.04	3.16	0.46	1.29	2.67	3.16
	S.W. SOUTHERN SEGMENT (ML-5)	0.35	1.70	2.82	--	0.95	2.33	2.82
	S.W. CENTRAL SEGMENT (ML-6)	--	0.87	1.99	--	--	1.50	1.99
	NORTHERN SEGMENT (ML-7)	--	--	0.61	--	--	0.61	0.61

NOTES:

1. (a) There will be no charge for Transporter's Use on Backhauls, services performed within any Hub, or services under Rate Schedule IPLS.
- (b) The areas and segments listed above are defined in Section 1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map on Sheet No. 4.
2. 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 (%): 0.84%.
3. 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. 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: 0.12%

ANR PIPELINE COMPANY
 EPC CHARGE

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

(DOLLARS PER DTH)

	SOUTHEAST			SOUTHWEST			
	S.E. AREA	SOUTHERN SEGMENT	CENTRAL SEGMENT	S.W. AREA	SOUTHERN SEGMENT	CENTRAL SEGMENT	NORTHERN SEGMENT
TO:	(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
FROM:							
SOUTHEAST AREA (SE)	\$0.0000	\$0.0000	\$0.0000	\$0.0002	\$0.0002	\$0.0002	\$0.0002
S.E. SOUTHERN SEGMENT (ML-2)	--	\$0.0000	\$0.0000	\$0.0002	\$0.0002	\$0.0002	\$0.0002
S.E. CENTRAL SEGMENT (ML-3)	--	--	\$0.0000	\$0.0002	\$0.0002	\$0.0002	\$0.0002
SOUTHWEST AREA (SW)	\$0.0002	\$0.0002	\$0.0002	\$0.0000	\$0.0000	\$0.0000	\$0.0002
S.W. SOUTHERN SEGMENT (ML-5)	\$0.0002	\$0.0002	\$0.0002	--	\$0.0000	\$0.0000	\$0.0002
S.W. CENTRAL SEGMENT (ML-6)	--	\$0.0002	\$0.0002	--	--	\$0.0000	\$0.0002
NORTHERN SEGMENT (ML-7)	--	--	\$0.0002	--	--	\$0.0002	\$0.0002

2. 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 \$0.0067.

NOTES:

- There will be no charge for Transporter's EPC on Backhauls, 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 1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map on Sheet No. 4.
- 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.

RATE SCHEDULE ETS
Enhanced 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; 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) 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.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

- (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.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated on Sheet No. 5 or 7A, 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 3.1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

- (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 3.1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated on Sheet Nos. 5, 7A and/or 68G, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

- (d) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's Delivery Point MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rates times 12 then dividing the result by 365, and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the Delivery Point MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.
- (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.

3.2 Commodity Charges

- (a) The applicable Commodity Rate, as stated on Sheet No. 5 or 7A and, if applicable, Sheet No. 68G, 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.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

- (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 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 on Sheet Nos. 17 and 18.
- 3.3 Daily Scheduling Penalties. Only Shippers identified in Section 14.1(a)(3)(iii) 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. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.
- 3.4 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 3.4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.1(a) or 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 14.1(a)(1), 14.1(a)(3) or 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 3.1(c), above, times 12 then dividing the result by 365.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

3.5 Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 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 3.4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.4 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 Sections 3.4 and 3.5(a), above.

3.6 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.

3.7 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

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.

3.8 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 on Sheet No. 5 or 7A 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 on such sheets. 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 Sections 4.1(b) and 4.2(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.

3.9 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 15 of the General Terms and Conditions of this Tariff.

4. SMALL SHIPPER SERVICE OPTION

Any Shipper that meets all of the eligibility requirements set forth in Sections 1(a), (c), (e) and (f) of Rate Schedule STS shall not be subject to Sections 3.1 and 3.2(a), but shall be charged the one-part rate set forth on Sheet No. 6, 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 3.4 hereunder the applicable rate set forth on Sheet No. 6, plus all applicable charges and surcharges.

RATE SCHEDULE ETS
Enhanced Transportation Service
(Continued)

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 and made a part of this Rate Schedule.

RATE SCHEDULE STS
Small Transportation Service

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

RATE SCHEDULE STS
Small Transportation Service
(Continued)

(g) 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

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.

3. CHARGES

3.1 Each Month Shipper shall pay to Transporter the applicable Commodity Rate(s) set forth on Sheet No. 6 and, if applicable, Sheet No. 68G, for each Dekatherm of Gas Delivered Hereunder.

3.2 Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges or surcharges under Sections 24 and 29 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown on Sheet Nos. 17 and 18.

3.3 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 3.3 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.1(a) or 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 14.1(a)(1), 14.1(a)(3) or 14.1(c) of the General Terms and Conditions of this Tariff. The charges

RATE SCHEDULE STS
Small Transportation Service
(Continued)

for each Dekatherm of Authorized Daily Overrun Quantity Gas that exceeds the Swing Percentage shall be equal to the Charges set forth in Sections 3.1 and 3.2, above.

3.4 Unauthorized Overrun Service.

(a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 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 3.3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.3 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 Sections 3.3 and 3.4(a), above.

3.5 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 on Sheet No. 19 and, if applicable Sheet No. 68H. Shipper shall also furnish at the Point of Injection/Withdrawal, for each Dekatherm injected, the applicable storage-related Transporter's Use (%) set forth on Sheet No. 19. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.

3.6 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.

RATE SCHEDULE STS
Small Transportation Service
(Continued)

- 3.7 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.
- 3.8 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.9 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 15 of the General Terms and Conditions of this Tariff. Notwithstanding the definitions set forth in such Section 15, the calculations of Excess Quantities and Deficient Quantities shall be reduced by the storage injections and withdrawals determined pursuant to Section 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.
- 3.10 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.

RATE SCHEDULE STS
Small Transportation Service
(Continued)

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 by reference and made a part of this Rate Schedule.

RATE SCHEDULE FTS-1
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; 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 rendered under this Rate Schedule shall be firm, up to the Primary Route MDQs specified in the executed Agreement.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Reservation Charges.

- (a) For each Dekatherm of MDQ, the applicable Reservation Rate(s), as stated on Sheet No. 7 or 7A, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

- (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 3.1(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 3.1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated on Sheet Nos. 7, 7A and/or 68G, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rates times 12 then dividing the result by 365, and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

(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.

3.2 Commodity Charges

(a) The applicable Commodity Rate, as stated on Sheet No. 7 or 7A and, if applicable, Sheet No. 68G, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route 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 Sections 24 and 29 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 on Sheet Nos. 17 and 18.

3.3 Daily Scheduling Penalties. Only Shippers identified in Section 14.1(a)(3)(iii) 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. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.

3.4 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 3.4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.1(a) or 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 14.1(a)(1), 14.1(a)(3) or 14.1(c) of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

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 3.1(c), above, times 12 then dividing the result by 365.

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

3.5 Unauthorized Overrun Service.

(a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 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 3.4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.4 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 Sections 3.4 and 3.5(a), above.

3.6 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.

3.7 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(s) 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(s) 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.

- 3.8 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 on Sheet No. 7 or 7A 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 on such sheets. 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 Sections 4.1(b) and 4.2(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.
- 3.9 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 15 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS-1
Firm Transportation Service
(Continued)

4. SMALL SHIPPER SERVICE OPTION

Any Shipper that meets all of the eligibility requirements set forth in Sections 1(a), (c), (e) and (f) of Rate Schedule STS shall not be subject to Sections 3.1 and 3.2(a), but shall be charged the one-part rate set forth on Sheet No. 6, 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 3.4 hereunder the applicable rate set forth on Sheet No. 6, plus all applicable charges and surcharges.

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 and made a part of this Rate Schedule.

RATE SCHEDULE FTS-2
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; 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 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 10 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

- (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

Issued by: D. M. Ives, Vice President

Issued on: March 3, 1997

Effective on: December 1, 1996

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-72-001, issued February 14, 1997, 78 FERC ¶ 61,151

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

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 9 of the General Terms and Conditions of this Tariff.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated on Sheet No. 8, 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 3.1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

- (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 3.1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated on Sheet Nos. 8 and/or 68G, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) Except for any Gas not scheduled on a firm basis as permitted under Section 2, above, in which case no reductions shall be made in Reservation Charges, if Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rate times 12 then dividing the result by 365 and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.
- (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.

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

3.2 Commodity Charges

(a) A Commodity Rate, as stated on Sheet No. 8 and, if applicable, Sheet No. 68G, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized 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 Sections 24 and 29 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 on Sheet Nos. 17 and 18.

3.3 Daily Scheduling Penalties. Only Shippers identified in Section 14.1(a)(3)(iii) 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. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.

3.4 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 3.4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.1(a) or 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 14.1(a)(1), 14.1(a)(3) or 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.

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

3.5 Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 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 3.4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.4 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 Sections 3.4 and 3.5(a), above.

3.6 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.

3.7 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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

RATE SCHEDULE FTS-2
Firm Transportation Service
(Continued)

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.

3.8 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 on Sheet No. 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 on such sheets. 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 Sections 4.1(b) and 4.2(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.

3.9 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 15 of the General Terms and Conditions of this Tariff.

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 FTS-3
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;
- (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.

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 Sections 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.

RATE SCHEDULE FTS-3
Firm Transportation Service

- (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 1 of this Rate Schedule.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 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 on Sheet Nos. 8A and 8B, 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 on Sheet Nos. 8A and 8B, 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 3.1(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 3.1(a) and (b), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rates, as stated on Sheet Nos. 8A and 8B and/or 68G, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.

RATE SCHEDULE FTS-3
Firm Transportation Service

- (e) If Transporter fails to Tender Gas for redelivery at the delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for a tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the applicable overrun rate (as calculated on the currently effective Sheet Nos. 8A and 8B), multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.
- (f) 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.

RATE SCHEDULE FTS-3
Firm Transportation Service

3.2 Commodity Charges.

A Commodity Rate, as stated on Sheet Nos. 8A and 8B and, if applicable, Sheet No. 68G, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.

3.3 Other Applicable Charges or Surcharges.

All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 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 on Sheet No. 17.

3.4 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 3.4 must be made by Shipper pursuant to a separate nomination for Authorized Overrun Quantity Gas in accordance with Section 6.1(a) or 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 on Sheet Nos. 8A and 8B.

Rate Schedule FTS-3
Firm Transportation Service

3.5 Unauthorized Overrun Service.

(a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 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 3.4 of this Rate Schedule, shall be considered as "Unauthorized Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.4 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 Sections 3.4(b) and 3.5(a), above.

3.6 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shippers electing the optional variation of delivery feature provided under Section 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 on Sheet No. 19A.

3.7 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.

RATE SCHEDULE FTS-3
Firm Transportation Service

3.8 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 on Sheet Nos. 8A and 8B 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 on such sheets. 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 Sections 4.1(b) and 4.2(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.

4. SHORT NOTICE START-UP AND SHUT-DOWN

In addition to the nomination and scheduling procedures set forth in Section 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 two (2) Hour(s) telephone notification or, subject to operational conditions, a shorter period of notice. 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 of the General Terms and Conditions of this Tariff.

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 1.62 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.

RATE SCHEDULE FTS-3
Firm Transportation Service

- (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 16 (b) and (c) of the General Terms and Conditions of this Tariff.

6. DEFINITIONS

- 6.1 The term "Billing MDQ" shall mean the product of each Dekatherm of Shipper's MDQ multiplied by 365 and divided by 12.

RATE SCHEDULE FTS-3
Firm Transportation Service

- 6.2 The term "Billing MHQ" shall mean the product of each Dekatherm of Shipper's MHQ and 24.
- 6.3 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.
- 6.4 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.
- 6.5 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.

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.

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 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.

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

- (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 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: 3, 5, and 6.

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 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 2(h) of Rate Schedule FTS-4), that are necessary for Transporter to provide service hereunder. Transporter shall notify Shipper via GEMStm 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 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.

RATE SCHEDULE FTS-4L
Firm Transportation Service
(Continued)

- (f) Other than for any obligations pursuant to Section 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: 3, 5, and 6.

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:

3.1 Commodity Charges.

- (a) A Commodity Rate, as stated on Sheet No. 9 and, if applicable, Sheet No 68G, 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.

RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

- (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown on Sheet Nos. 17 and 18.
- 3.2 Daily Scheduling Penalties. Only Shippers identified in Section 14.1(a)(3)(iii) 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. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.
- 3.3 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.
- 3.4 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.5 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 any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated on Sheet

RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

No. 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 on such sheets. 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.

3.6 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 15 of the General Terms and Conditions of this Tariff.

3.7 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 3.5(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

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 listed in Section 7 of this Rate Schedule, and any other Receipt or Delivery Point, subject to operational and administrative feasibility.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to service which is rendered by Transporter for Shipper pursuant to an executed Agreement under this Rate Schedule.

2.2 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.

RATE SCHEDULE IPLS
INTERRUPTIBLE PARK AND LEND SERVICE
(Continued)

- (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) 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, 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).
- 2.3 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.
- 2.4 Transportation of Gas quantities for or on behalf of Shipper to or from the designated point(s) of service under the 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 for Parking or Lending Service hereunder.
- 2.5 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.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

RATE SCHEDULE IPLS
INTERRUPTIBLE PARK AND LEND SERVICE
(Continued)

3.1 Commodity Charges.

- (a) An Account Balance Charge, as stated on Sheet No. 9A, 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 Sections 24 and 29 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 on Sheet No. 17, but shall not be applicable if paid on related Transportation Service.

- 3.2 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's System, and shall be free to contract with third party(s) 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(s) 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(s) 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.

RATE SCHEDULE IPLS
INTERRUPTIBLE PARK AND LEND SERVICE
(Continued)

3.3 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 on Sheet No. 9A 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 on such sheet. 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. OPERATIONAL REQUIREMENTS OF TRANSPORTER

(a) Shipper may be required, upon notification from Transporter, to cease or reduce deliveries to, or receipts from, Transporter hereunder 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

RATE SCHEDULE IPLS
INTERRUPTIBLE PARK AND LEND SERVICE
(Continued)

- (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 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 Agreement executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such Agreement. 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 16(b) and (c) of the General Terms and Conditions of this Tariff.

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 and made a part of this Rate Schedule.

RATE SCHEDULE IPLS
INTERRUPTIBLE PARK AND LEND SERVICE
(Continued)

7. POINTS OF SERVICE

Transporter currently offers this service at the points listed below:

- (a) The Headstations as defined in Section 1.30 of the General Terms and Conditions of this Tariff.
- (b) The ANR Joliet Hub as defined in Section 1.30A of the General Terms and Conditions of this Tariff.
- (c) The Brownsville Power Haywood Delivery Point located downstream of the Brownsville compressor station located on Transporter's Southeast Southern Segment at Brownsville, Tennessee.
- (d) The Bedison Delivery Point located downstream of the Maitland compressor station located on Transporter's Southwest Central Segment at Maitland, Missouri.
- (e) The Glen Karn Meter Station located on Transporter's Southeast Central Segment near Glen Karn, Ohio.
- (f) The Michigan Consolidated Gas Company Delivery Point located on Transporter's Northern Segment at Willow Run, Michigan.
- (g) The Wauseon Delivery Point located on Transporter's Northern Segment at Wauseon, Ohio.
- (h) The Panola County Interconnection located on Transporter's Southeast Southern Segment at Batesville, Mississippi.
- (i) The Weakley County Interconnection located in Transporter's Southeast Southern Segment near Gleason, Tennessee.
- (j) The Napoleon Interconnect located on Transporter's Northern Segment in Henry County, Ohio.
- (k) The Holland BPW Interconnect located on Transporter's Northern Segment in Allegan County, Michigan.
- (l) The South Craig Interconnect located on Transporter's Southwest Central Segment in Holt County, Missouri.
- (m) The Mone Plant Interconnect located on Transporter's Southeast Central Segment in Convoy, Ohio.
- (n) The Monee Plant Interconnect located on Transporter's Southwest Central Segment in Will County, Ill.
- (o) The Covert Power Plant located on Transporter's Northern Segment in Covert Township, Michigan.

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 1.30A 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

2.1 This Rate Schedule shall apply to all service which is rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.

2.2 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.

2.3 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:

3.1 Commodity Charges.

(a) A Commodity Rate, as stated on Sheet No. 9A, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper during the Service Month;

RATE SCHEDULE IWS
INTERRUPTIBLE WHEELING SERVICE
(Continued)

- (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 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 on Sheet No. 17, but shall not be applicable if paid on related Transportation Service.
- 3.2 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's System, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.3 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 on Sheet No.9A of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable

RATE SCHEDULE IWS
INTERRUPTIBLE WHEELING SERVICE
(Continued)

Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth on such sheets. 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.

- 3.4 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 15 of the General Terms and Conditions of this Tariff, if applicable.
- 3.5 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

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.

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.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Commodity Charges.

RATE SCHEDULE ITS-3
Interruptible Transportation Service

- (a) A Commodity Rate, as stated on Sheet No. 9A and, if applicable, Sheet No. 68G, 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 volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown on Sheet No. 17.
- 3.2 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 on Sheet No. 19 and, if applicable, Sheet No. 68H. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.
- 3.3 Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.4 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 on Sheet No. 9A of this Tariff or a superseding

RATE SCHEDULE ITS-3
Interruptible Transportation Service

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 on such sheets. 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. SHORT NOTICE START-UP AND SHUT-DOWN

In addition to the nomination and scheduling procedures set forth in Section 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 of the General Terms and Conditions of this Tariff.

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.

RATE SCHEDULE ITS-3
Interruptible Transportation Service

- (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 16 (b) and (c) of the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS-3
Interruptible Transportation Service

6. DEFINITIONS

6.1 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.

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.

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

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.

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

Issued by: Byron S. Wright, Vice President

Issued on: January 20, 2006

Effective on: February 1, 2006

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP06-92, issued December 15, 2005, 13 FERC ¶ 61,273

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
(Continued)

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 3.7 and 3.8 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 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 6.2, below.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Reservation Charges.

- (a) The applicable FSS Deliverability Reservation Rate, as stated on Sheet No. 10 or 10A, shall be paid each Month for each Dekatherm of Shipper's Base MDWQ; plus
- (b) The applicable FSS Capacity Reservation Rate, as stated on Sheet No. 10 or 10A, shall be paid each Month for each Dekatherm of Shipper's MSQ divided by twelve (12).
- (c) If Transporter fails to Tender Gas for delivery at the Point of Injection/Withdrawal for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities,

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
(Continued)

necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on such Day, or Shipper's MDIQ or MDWQ, as applicable, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the Monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the product of (1)(i) the combined Reservation Charge multiplied by (ii) twelve (12) divided by (iii) the MSQ and (2) the difference between such quantity of Gas nominated or made available for withdrawal, whichever is less, up to the MDWQ, as applicable, and the quantity actually withdrawn by Transporter for the account of Shipper during such Day.

- 3.2 Commodity Charges. The applicable Injection/Withdrawal Commodity Rate, as stated on Sheet No. 10 or 10A, 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 3.4 of this Rate Schedule.
- 3.3 Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown on Sheet No. 17. Such surcharges shall not be applicable if paid on related Transportation Service.
- 3.4 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 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

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
(Continued)

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 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 Working Storage Gas, in accordance with Section 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 3.4, 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.

- 3.5 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 3.4 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 on Sheet No. 10 or 10A.
- 3.6 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 on Sheet No. 19 or 19A.

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
(Continued)

- 3.7 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 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.

RATE SCHEDULE FSS
FIRM STORAGE SERVICE
(Continued)

3.8 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 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 2(d) of Rate Schedule DDS.

3.9 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 which a Maximum Rate and Minimum Rate are stated on Sheet No. 10 or 10A 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 on such sheet. 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. 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
(Continued)

6. ENHANCED SERVICE FEATURES

- 6.1 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 on Sheet No. 10 or 10A, and denoted as Rate Schedule FSS service without Storage Ratchets.
- 6.2 Flexible Entitlements. Subject to the determination in Section 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 on Sheet No. 10 or 10A, 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.
- 6.3 Cycling of Gas. Shippers electing Flexible Entitlements pursuant to Section 6.2, 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 1/10 - 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.
- 6.4 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 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 3.4 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

RATE SCHEDULE DDS
DEFERRED DELIVERY SERVICE
(Continued)

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:

- 3.1 Interruptible Service Commodity Charge. A Storage Commodity Rate set forth on Sheet No. 10 shall be paid on the average Dekatherms of Working Storage Gas which are stored for or on behalf of Shipper during the Month.
- 3.2 Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, as provided for under Sections 24 and 29 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown on Sheet No. 17. Such surcharges shall not be applicable if paid on related Transportation Service.
- 3.3 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 on Sheet No. 19 or 19A.
- 3.4 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.

RATE SCHEDULE DDS
DEFERRED DELIVERY SERVICE
(Continued)

3.5 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 on Sheet No. 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 on such sheet. 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 10 of the General Terms and Conditions of this Tariff. Shipper shall pay the applicable charges pursuant to Section 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

RATE SCHEDULE MBS
Market Balancing Service
(Continued)

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 of the General Terms and Conditions of this Tariff, the quantities described in Sections 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:

- 3.1 (a) The Daily Delivery Rate which is shown on Sheet No. 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 14.1(a)(1) of the General Terms and Conditions of this Tariff; plus
- (b) The Daily Delivery Rate which is shown on Sheet No. 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 14.1(a)(1) of the General Terms and Conditions of this Tariff; plus
- (c) The Capacity Rate shown on Sheet No. 11 payable on the maximum confirmed nomination of the MBS maximum storage quantity reserved; plus
- (d) The Commodity Rate shown on Sheet No. 11 for allocated quantities for Transportation to or from storage, excluding the quantities allocated as MBS Overrun Quantity pursuant to Section 3.3.

RATE SCHEDULE MBS
Market Balancing Service
(Continued)

- 3.2 Other Applicable Charges or Surcharges. All applicable volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 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.

RATE SCHEDULE MBS
Market Balancing Service
(Continued)

- 3.3 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 on Sheet No. 11.
- 3.4 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 on Sheet No. 19. Shipper shall also furnish at the Point of Injection/Withdrawal, for each Dekatherm injected, the applicable storage-related Transporter's Use (%) set forth on Sheet No. 19. Shipper shall also pay to Transporter the applicable EPC Charge as stated on Sheet No. 19A.
- 3.5 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.
- 3.6 Cashout of Monthly Imbalances.
- (a) Shipper shall be responsible for payment of the one hundred percent (100%) Cashout price provided for in Section 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.

RATE SCHEDULE MBS
Market Balancing Service
(Continued)

- (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.

RATE SCHEDULE MBS
Market Balancing Service
(Continued)

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

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 4 of this Rate Schedule; and
- (g) 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 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

RATE SCHEDULE NNS
No-Notice Service
(Continued)

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 2, if Shipper fails to meet its good faith obligations under Section 4 of this Rate Schedule, then Transporter's obligations under this Rate Schedule shall be best efforts only.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

3.1 Reservation Charge.

- (a) The Reservation Rate shown on Sheet No. 11 for each Dekatherm of NNE of Shipper under this Rate Schedule;
- (b) If, on any Day, Transporter fails to Tender the lawful quantity of Gas that Shipper would otherwise have taken at the Delivery Point(s), due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, then the portion of the Monthly bill of such Shipper which is attributable to the Reservation

RATE SCHEDULE NNS
No-Notice Service
(Continued)

Charges shall be reduced by an amount equal to the Reservation Rate (times 12 then dividing the result by 365) multiplied by the difference between such lawful quantity of Gas that Shipper would otherwise have taken and the quantity of Gas Delivered Hereunder for the account of Shipper during such Day.

- 3.2 Commodity Charge. The Commodity Rate which is shown on Sheet No. 11, for each Dekatherm of Gas allocated under this Rate Schedule.
- 3.3 Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 24 and 29 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 on Sheet No. 17. Such surcharges shall not be applicable if paid on related Transportation Service.
- 3.4 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 on Sheet No. 11, times 12 then dividing the result by 365, times one-hundred and fifty percent (150%).
- 3.5 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 15 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE NNS
No-Notice Service
(Continued)

3.6 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.

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. 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 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 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 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 of the General Terms and Conditions of this Tariff. The lowest priority Receipt

RATE SCHEDULE PTS-1
Pooling Transportation Service (Derivative)
(Continued)

Point(s) shall be deemed to be the supply sources for downstream interruptible Transportation Services. A curtailment of quantities, pursuant to Section 10 of the General Terms and Conditions of this Tariff, will correspondingly reduce the respective quantities of firm or interruptible downstream Transportation.

3. CHARGES

3.1 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 15 of the General Terms and Conditions of this tariff.

3.2 (a) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule.

(b) 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)

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.

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 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 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.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

- (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 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 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 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.

3. CHARGES

Each Month Pooler shall pay to Transporter the following charges:

3.1 Reservation Charges.

- (a) For each Dekatherm of MDQ, the Reservation Rate, as stated on Sheet No. 12 for the Southwest Area, if the Agreement provides for Transportation that reserves Transporter's Southwest Area Facilities.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

- (b) (i) For each Dekatherm of MDQ, the Reservation Rate, as stated on Sheet No. 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 on Sheet No. 68G.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

- (c) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Pooler during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Pooler has nominated, or makes available to Transporter on such Day, or Pooler's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Pooler which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rate times 12 then dividing the result by 365 and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Pooler, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Pooler during such Day.
- (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.

3.2 Commodity Charges

- (a) A Southwest Area Commodity Rate, as stated on Sheet No. 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 on Sheet No. 12 and, if applicable, Sheet No. 68G, 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.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

- (c) (1) 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.
- (2) 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.

3.3 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 3.3 must be made by Pooler pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.1(a) or 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.

3.4 Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Pooler pursuant to Section 14 of this Tariff on any Day, which is in excess of Pooler's MDQ, which has not been authorized under Section 3.3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 3.3 above.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

- (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 Sections 3.3 and 3.4(a), above.
- 3.5 Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.6 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 on Sheet No. 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 on such sheets. 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

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)
(Continued)

Commission's regulations with respect to any charges at less than the Maximum Rate.

3.7 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 15 of the General Terms and Conditions of this Tariff.

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. 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)

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.

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 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 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 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 14 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE PTS-3
Pooling Transportation Service (Interruptible)
(Continued)

- (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 5 of the General Terms and Conditions of this Tariff.
- (h) Transportation Service rendered under this Rate Schedule shall be interruptible.

3. CHARGES

Each Month Pooler shall pay to Transporter the following charges:

3.1 Commodity Charges.

- (a) A Southwest Area Commodity Rate, as stated on Sheet No. 13, 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 on Sheet No. 13 and, if applicable, Sheet No. 68G, 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.

RATE SCHEDULE PTS-3
Pooling Transportation Service (Interruptible)
(Continued)

- (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.

RATE SCHEDULE PTS-3
Pooling Transportation Service (Interruptible)
(Continued)

- 3.2 Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(s) 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(s) 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(s) 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.
- 3.3 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 on Sheet No. 13 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 on such sheets. 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.
- 3.4 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 15 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE PTS-3
Pooling Transportation Service (Interruptible)
(Continued)

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. 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:

2.1 Reservation Charge:

\$1.250 for each Dekatherm of MDQ.

2.2 Commodity Charge:

\$.0002 for each Dekatherm of Gas Delivered Hereunder.

3. INTERRUPTIBLE SERVICE CHARGES

Each Month Shipper shall pay to Transporter a commodity charge not to exceed \$.0413 for each Dekatherm of Gas Delivered Hereunder.

GATHERING SERVICE
(Continued)

4. FUEL AND L&U REIMBURSEMENT

Transporter shall retain 0.12% 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 0.12% L&U, provided, however, if Transporter also provides Transportation of such Gas, the retention % will not include L&U.

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

Date: _____ Contract No. _____

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and _____ (Shipper name) or by _____ as agent for _____ (Shipper name) on _____.

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:

_____ (284G - Blanket or 284B - Sec. 311)

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).

FORM OF AGREEMENT

(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3,
FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)
(Continued)

4. TERM OF AGREEMENT:

_____ to

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 referenced in the Further Agreement Section of this Agreement.

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 increased 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 GEMStm. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

FORM OF AGREEMENT

(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3,
FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)
(Continued)

TRANSPORTER:

ANR Pipeline Company
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

INVOICES AND STATEMENTS:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

FORM OF AGREEMENT

(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3,
FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)
(Continued)

8. FURTHER AGREEMENT
(Write None or specify the 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: _____

Sheet No. 73 is Reserved for Future Use.

Sheet No. 74 is Reserved for Future Use.

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)
(Continued)

CONTRACT NO. _____

PRIMARY ROUTE EXHIBIT

TO AGREEMENT BETWEEN

ANR PIPELINE COMPANY (TRANSPORTER)

AND

_____ (SHIPPER)

Original Contract Date: _____

Amendment Date: _____

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

CONTRACT NO. _____

CONTRACT QUANTITY EXHIBIT

TO AGREEMENT BETWEEN

ANR PIPELINE COMPANY (TRANSPORTER)

AND

_____ (SHIPPER)

Original Contract Date: _____

Amendment Date: _____

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 21(n) 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.

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

2. AUTHORITY FOR TRANSPORTATION SERVICE:

To be specified in the applicable Award Notice.

(To the extent Shipper desires to utilize receipt/delivery points pursuant to Part 284 B (Section 311 of the NGPA and Section 284.102 of the Commission's regulations), Shipper must execute a separate agreement with Transporter and Shipper must also certify that the transportation of Gas will be on behalf of either an "intrastate pipeline" or a "local distribution company".)

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 _____

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

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

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 at the addresses below or through GEMStm. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

TRANSPORTER:

ANR PIPELINE COMPANY
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

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

Attention: _____
Telephone: _____
Fax: _____

INVOICES AND STATEMENTS:

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

Attention: _____
Telephone: _____
Fax: _____

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

9. FURTHER AGREEMENT:

(This paragraph may address, inter alia, other terms and conditions of service to be determined in the Award Notice or any agency services that Shipper agrees Transporter shall provide.)

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

10. OPERATIONAL FLOW ORDERS

Shipper hereby guarantees to Transporter that each contract it has entered into in connection with the Gas to be transported under this Agreement contains a provision that permits Transporter to issue an effective Operational Flow Order pursuant to Section 8 of the 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: _____

Date: _____

Contract No.: _____

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:
(284B = Section 311; 284G = Blanket)
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 GEMS_{tm} that it has agreed otherwise.

ASSOCIATED LIQUEFIABLES AGREEMENT
(Continued)

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 increased 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 GEMS_{tm}. 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
717 TEXAS STREET
HOUSTON, TX 77002-2761
Attention: COMMERCIAL SERVICES

SHIPPER:

Attention: _____
Telephone: _____
Fax: _____

ASSOCIATED LIQUEFIABLES AGREEMENT
(Continued)

INVOICES AND STATEMENTS:

Attention: _____
Telephone: _____
Fax: _____

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

ASSOCIATED LIQUEFIABLES AGREEMENT
(Continued)

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 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 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 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: _____

ANR PIPELINE COMPANY
TRANSPORTATION SERVICE REQUEST FORM

- Send:
- a) Electronically through ANR's Internet site
 - b) Fax Telecopy No. (832) 320-5677
Verification No. (832) 320-5474
 - c) E-Mail to ANRMarketing@Transcanada.com
 - d) Mail to Marketing Department
ANR Pipeline Company
Suite 26337
717 Texas Street
Houston, Texas 77002-2761

INFORMATION REQUIRED FOR VALID TRANSPORTATION REQUEST

1. SHIPPER

Full Legal Name: _____
Entity ID (DUNS #): _____

Contact Name: _____
Contact Phone: _____
Contact E-Mail: _____

Is Requestor affiliated with ANR?

_____ NO _____ YES _____ ANR
_____ ANR Affiliate
_____ % Ownership of or _____ % Owned By
ANR or ANR Affiliate

Is Shipper affiliated with ANR?

_____ NO _____ YES _____ ANR
_____ ANR Affiliate
_____ % Ownership of or _____ % Owned By
ANR or ANR Affiliate

2. TYPE OF REQUEST

_____ New Service
_____ Amended Service _____ (Contract #)

Amendment Reason: _____ Change Primary Point(s) (Must extend
through term of Agreement)
_____ Elevation of Secondary Point to Primary
_____ Other (Reason) _____

ANR PIPELINE COMPANY
TRANSPORTATION SERVICE REQUEST FORM
(Continued)

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: _____
(Agreements for Rate Schedule FSS of at least
twelve (12) consecutive months and 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 Capacity Release)		
_____ FTS-4			
_____ FTS-4L			

Associated Gathering Contract? _____ Yes _____ No

ANR PIPELINE COMPANY
 TRANSPORTATION SERVICE REQUEST FORM
 (Continued)

5. CONTRACT QUANTITIES

(A) Primary Routes for Rate Schedules ETS, FTS-1, FTS-2, STS, FTS-3, FTS-4, FTS-4L and PTS-2

Start Date	End Date	Receipt Point		Delivery Point		MDQ Dth/Day	MHQ Dth/Hour
		No.	<u>Name</u>	No.	<u>Name</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.

ANR PIPELINE COMPANY
TRANSPORTATION SERVICE REQUEST FORM
(Continued)

5. CONTRACT QUANTITIES (Continued)

- (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
- (D) Rate Schedule FSS
Maximum Storage Quantity (MSQ) _____ Dekatherms
Base Maximum Daily Withdrawal Quantity (MDWQ) _____
Dekatherms/day
Rate Schedule FSS Options: _____ Winter Period Only
_____ Flexible Entitlements (Annual)
_____ With Ratchets
_____ Without Ratchets

(Agreements for Rate Schedule FSS of at least twelve (12)
consecutive Months and for Rate Schedule STS must end on
March 31)

(E) Rate Schedule DDS

Maximum Storage Quantity Dekatherms _____

(F) Rate Schedule NNS

Delivery Location # _____ Delivery Location Name: _____
No-Notice Entitlements (NNE) _____ 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.)

ANR PIPELINE COMPANY
TRANSPORTATION SERVICE REQUEST FORM
(Continued)

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: _____

Sheet No. 81 is Reserved for Future Use.

Sheet No. 82 is Reserved for Future Use.

Sheet No. 83 is Reserved for Future Use.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 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.
- 1.2 Reserved.
- 1.3 The term "Associated Liquefiabiles" shall mean that portion of Transporter's Gas stream that is extracted as liquid hydrocarbons at a processing plant.
- 1.4 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).
- 1.5 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.
- 1.6 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, however, that for Rate Schedule FSS with Flexible Rights and a Base MDWQ between 1/10 and 1/49 of its MSQ, the Base MDIQ shall be mutually agreeable amount not to exceed thirty-five percent (35%) of the Base MDWQ.

- 1.7 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.
- 1.8 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.8A 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.
- 1.9 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.
- 1.10 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 and 60 degrees F (101.325 kPa and 15 degrees C, and dry); and for gigacalorie it is 1.035646 Kg/cm² and 15.6 degrees C, and dry.
- 1.11 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 15 of these General Terms and Conditions.
- 1.12 The term "Cashout Price" shall mean the price determined pursuant to Section 15 of these General Terms and Conditions.
- 1.13 The term "Catalog Receipt Point(s)" shall mean any eligible Transmission Receipt Point(s) located in a Pooling Area.
- 1.13A 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.
- 1.14 The term "Commission" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority.
- 1.15 The term "Confirmed Price" shall mean the Transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper.
- 1.16 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.17 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.
- 1.18 The term "DDS Maximum Daily Injection Quantity" shall mean one thirtieth (1/30) of the Maximum Storage Quantity.
- 1.19 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.
- 1.20 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, is 1.055056 gigajoules per Dth. The conversion factor between Dth and gigacalorie, the standard measure of heat energy in Mexico, is 0.251996 gigacalories per Dth.
- 1.21 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.
- 1.22 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.
- 1.23 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.
- 1.24 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.
- 1.24A 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.
- 1.24B The term "HDP Segment(s)" shall have the meaning as defined in Section 13.3.
- 1.24C 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.
- 1.25 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.26 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.
- 1.26A 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.
- 1.27 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.
- 1.27A 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.
- 1.28 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 Liquefiabiles and synthetic natural gas, or any mixture of these gases meeting the quality standards under Section 13 of these General Terms and Conditions.
- 1.29 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 14 of these General Terms and Conditions.
- 1.29A The term "*GEMStm*" shall mean Transporter's electronic communication system which shall be available to any Shipper.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.30 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.
- 1.30A 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.
- 1.31 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.

GENERAL TERMS AND CONDITIONS
(Continued)

1.32 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

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.
- 1.33 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.
- 1.34 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 (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.
- 1.35 The term "Maximum Storage Quantity" ("MSQ") shall mean the greatest number of Dekatherms that Transporter is obligated to store on behalf of Shipper.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.36 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.
- 1.37 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, 60 degrees F, and dry. For cubic meters, the reporting basis is 101.325 kPa, 15 degrees C and dry.
- 1.38 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.
- 1.38A 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 on Sheet Nos. 5 through 18, and on Sheet No. 68G. 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.
- 1.39 The term "Net Present Value" ("NPV") shall mean the discounted cash flow of expected revenues per Dekatherm of the applicable service for a term of up to twenty (20) years, using the interest rate set forth in Section 154.67(c)(2) of the Commission's Regulations.
- 1.40 The term "Nomination Route" shall mean the route used to transport Gas from the nominated Receipt Point to the nominated Delivery Point.
- 1.41 The term "No-Notice Service" shall mean service available under Rate Schedules NNS, STS and MBS.
- 1.41A 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.
- 1.42 The term "Notice Service" shall mean all Transportation Services provided by Transporter other than No-Notice Services.
- 1.42A 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.)
- 1.43 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 5.2(b) of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.44 The term "Point of Injection/Withdrawal" shall mean Transporter's storage facilities.
- 1.45 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.
- 1.46 The term "Pooling Agreement" shall mean an Agreement entered into by a Pooler with Transporter.
- 1.47 The term "Pooling Area" shall mean, as to any Headstation, Transporter's facilities located upstream of that Headstation.
- 1.48 The term "Primary Delivery Point(s)" shall mean the Delivery Point(s) as specified in the Agreement.
- 1.49 The term "Primary Receipt Point(s)" shall mean the Receipt Point(s) as specified in the Agreement.
- 1.49A The term "Primary Point(s)" shall mean the Primary Delivery Point(s) and/or Primary Receipt Point(s).
- 1.50 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.
- 1.51 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.
- 1.52 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.
- 1.53 The term "Reput" shall mean the reinstatement of a capacity release transaction that was recalled.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.54 The term "Residue Gas" shall mean Transporter's Gas stream that has been reduced by PTR.
- 1.55 The term "Secondary Delivery Point" shall mean a Delivery Point that is not specified as a Primary Delivery Point.
- 1.56 The term "Secondary Receipt Point" shall mean a Receipt Point that is not specified as a Primary Receipt Point.
- 1.56A The term "Secondary Point(s)" shall mean the Secondary Delivery Point and/or the Secondary Receipt Point.
- 1.56B The term "Service Day" shall mean the Day during which Shipper receives Transportation Service pursuant to a nomination in accordance with Section 6 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.57 The term "Service Month" shall mean the Month during which Shipper receives Transportation Services under this Tariff.
- 1.58 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 onshore and offshore facilities which are not directly connected, and the Holiday Creek facilities located in Mississippi.
- 1.59 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, and Transporter's facilities in Wyoming.
- 1.60 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.
- 1.61 The term "Summer Period" shall mean the period from April 1 of each calendar year through October 31 of such year.
- 1.62 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 GEMStm 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.
- 1.63 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.
- 1.63A 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.
- 1.63B The term "Transmission Delivery Point(s)" shall mean any Delivery Point which does not include any facilities functionalized as gathering.
- 1.63C The term "Transmission Receipt Point(s)" shall mean any Receipt Point which does not include any facilities functionalized as gathering.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.64 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.
- 1.65 The term "Transporter" shall mean ANR Pipeline Company.
- 1.66 The term "Transporter's Pipeline System" shall mean those facilities of Transporter which are Mainline Area Facilities, Southwest Area Facilities or Southeast Area Facilities.
- 1.67 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.
- 1.67A 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.
- 1.68 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, provided, however, that no Transporter's Use (%) or EPC Charge shall be assessed on Backhaul Transportation. Except as otherwise noted herein and in Section 37 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. For purposes of computing the Current Fuel Use (%) and the Annual Transporter's Use Adjustment (%) pursuant to Section 37 of these General Terms and Conditions, the fuel use associated with the CenterPoint Energy Gas Transmission Company ("CenterPoint") (formerly Arkla) transportation contract described in Section 29 of these General Terms and Conditions ("CenterPoint Contract") shall be allocated pro rata between the Southeast and Southwest Mainline Areas based upon the volumes delivered under the contract to each respective area. For purposes of computing the Current Fuel Use (%), the Annual Transporter's Use Adjustment (%), the Current EPC Charge and the Annual EPC Charge Adjustment pursuant to Section 37 of these General Terms and Conditions, the transactional throughput of the respective Mainline Area Facilities shall be adjusted based upon the direction of flow of the net physical throughput under the CenterPoint Contract such that the transactional throughput of the Mainline Area Facilities with the net physical increase in volume shall be increased by such net physical increase and an offsetting decrease in the transactional throughput shall be made to the opposite Mainline Area Facilities. Transporter will include in each of its annual filings pursuant to Section 37 of these General Terms and Conditions information supporting the allocation of fuel use and direction of flow of the net physical throughput between Transporter's Southeast and Southwest Mainline Areas under the CenterPoint Contract.
- 1.69 The term "Winter Period" shall mean the period from November 1 of each calendar year through March 31 of the following calendar year.

GENERAL TERMS AND CONDITIONS
(Continued)

- 1.70 The term "Wire Transfer" shall mean payments made/effected 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.
- 1.71 The term "Working Storage Gas" shall mean the quantity of Gas held in storage by Transporter for Shipper.
- 1.72 Capitalized terms not defined herein are defined pursuant to NAESB.

GENERAL TERMS AND CONDITIONS
(Continued)

2. REQUESTS FOR TRANSPORTATION SERVICE

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 the information specified in Section 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. If there is insufficient capacity to meet all requests for firm Transportation Service, and ANR must prioritize such requests pursuant to Section 9.1 of these General Terms and Conditions, ANR may require that each such request be accompanied by earnest money in the form of either Wire Transfer or a check payable to ANR Pipeline Company in the amount of the lesser of (a) ten thousand dollars (\$10,000); (b) the maximum reservation fee which would be due for the first two Months of service for such requested service, or (c) the maximum reservation fee that would be due for the term of the Agreement, which amount shall be applied, until fully used, against the first amounts due by Shipper to Transporter provided, however, that Transporter shall refund such amount to any Shipper whose request is not granted. Requests for service shall be sent to:

ANR Pipeline Company
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

An Agreement will be deemed executed either (1) in writing or (2) by approval by Transporter of the Agreement via GEMs™ 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).

GENERAL TERMS AND CONDITIONS
(Continued)

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 and 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).

GENERAL TERMS AND CONDITIONS
(Continued)

- (1) Legal Name
- (2) Entity Dun & Bradstreet Number
- (3) Representative's name, phone number, fax number and 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 (Agreements for Rate Schedule FSS of at least twelve (12) consecutive Months and for Rate Schedule STS shall terminate 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (4) For Rate Schedule FSS, the Maximum Storage Quantity ("MSQ") and Base Maximum Daily Withdrawal Quantity for Rate Schedule FSS, which shall not be less than fifty (50) Dth, so as to avoid measurement problems relative to small quantities.
 - (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.

Sheet No. 96 is Reserved for Future Use.

GENERAL TERMS AND CONDITIONS
(Continued)

(h) Further Agreement

Describe any other terms and conditions desired.

(i) Notices

Name, address, representative, telephone and fax number
for invoices, statements and all other matters.

2.3 Subsequent Information

(a) Credit Evaluation

(1) Shipper's Bank References.

(2) Shipper should submit year end audited financial
statements of Shipper together with the latest
quarterly report.

GENERAL TERMS AND CONDITIONS
(Continued)

- (3) Shipper's Affiliates, including parent, subsidiaries of parent and of such subsidiaries, and subsidiaries of Shipper.
- (4) In the event proceedings have been commenced by or against such Shipper for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension; or in the event a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such Shipper, or of a substantial part of its property, or for the winding up or liquidation of its affairs, shall have been entered, or any substantial part of the property of such Shipper shall be sequestered or attached and shall not be returned to the possession of such Shipper or released from such attachment within thirty (30) Days thereafter; or in the event such Shipper shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, Shipper shall be required to fully disclose any and all actions regarding the above described proceedings against Shipper or related parties defined in (3) above, in its request for service.
- (5) If any of the events or actions described in Section 2.3(a)(4) above, shall be initiated or imposed during the term of service hereunder, Shipper shall provide notification thereof to Transporter within two (2) working Days of any such initiated or imposed event or action. Shipper shall also provide, forthwith, such additional Shipper credit information as may be reasonably required by Transporter, at any time during the term of service hereunder, to determine Shipper's creditworthiness.

GENERAL TERMS AND CONDITIONS
(Continued)

- (b) Transportation pursuant to Part 284B
- (1) If Transportation is to be provided pursuant to Part 284B (Section 311 of the NGPA and Section 284.102 of the Commission's regulations), then prior to the initial flow of Gas to any Delivery Point, the Shipper must also certify that the Transportation of Gas will be on behalf of ("OBO") either an "intrastate pipeline" or a "local distribution company" (as defined by the NGPA), and that the OBO party will either:
- (i) have physical custody of, and transport the Gas at some point in the transaction; or
 - (ii) hold title to the Gas at some point either prior to, during, or after the time that the Gas is being transported by Transporter, for a purpose related to the OBO party's status and functions as an intrastate pipeline or local distribution company; or
 - (iii) that the Gas is to be delivered to a customer of the OBO party that is either located in the service area of the OBO party, if the OBO party is a local distribution party, or is physically able to receive direct deliveries of Gas from the OBO party, if the OBO party is an intrastate pipeline. (The OBO party must also certify to Transporter that it is the on behalf of party for which the Transportation is to be provided.)
 - (iv) Shipper must specify which of the above (i), (ii) or (iii) the OBO party satisfies and must provide the name of the OBO party.
 - (v) The Transportation Service described in (iii) above will not commence until Transporter has received a written certification from the qualifying OBO party.
- (2) For Transportation authorized under Section 311 of the NGPA and Section 284.102 of the Commission's regulations, if there is any change in the OBO party on whose behalf the Gas is being transported, Shipper shall notify Transporter of such change in the OBO party within two (2) Days of the change, in which case Shipper shall forfeit any earnest money deposit made pursuant to Section 2.1 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

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 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.

- 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 thirty (30) Days thereafter. 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

GENERAL TERMS AND CONDITIONS
(Continued)

Agreement for service which Shipper cannot begin within thirty (30) Days after the date the request is made pursuant to Section 2.1 of these General Terms and Conditions, or such other period as the parties may agree to in writing.

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, verbally or in writing, including the identification of the transportation request (if applicable), communicated to Transporter. Information regarding the appropriate contact personnel is available via Transporter's Internet site.

(b) Within forty-eight (48) hours, or two business Days, whichever is later from the Day of receipt of a complaint, 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.

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.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.
- 2.10 Sale of Service. Transporter will respond to requests for Transportation Service submitted in accordance with this Section 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 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 2.2, above.
- b. To the extent that Transporter considers a request acceptable and valid in accordance with Section 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, 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 request for service is at maximum rates, is at a fixed MDQ for the requested term and it is operationally feasible for Transporter to provide the requested service, then Transporter shall be obligated to grant such requests for service that are made within the time periods set forth below subject to the conditions above:
- (i) For service for a term of one year or longer, requests made within six (6) months of the requested service commencement date;
- (ii) For service for a term of either a Winter Period or a Summer Period or longer, but less than one year, requests made within thirty (30) days of the requested service commencement date;
- (iii) For service for a term of less than either a Winter Period or Summer Period but longer than one month, requests made within ten (10) days of the requested service commencement date; and
- (iv) For service for a term of one month or less, requests made within six (6) days of the requested service commencement date.

GENERAL TERMS AND CONDITIONS
(Continued)

- d. 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 Subsections 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.
- e. Transporter may grant, on a not unduly-discriminatory basis, requests for service made outside of the time periods set forth in Section 2.10(c) above.
- f. Transporter is not required to sell multiple year contracts unless the request is for continuous service at a fixed MDQ during the contract period (except to the extent the requested Transportation Service is related to storage in which event Section 2.10(d) above applies).
- g. Nothing in this Section 2.10 shall in any way limit or affect a Shipper's right, as defined under Section 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. 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.
- h. Transporter may conduct an open season to sell capacity that has been posted on *GEMStm* as uncontracted-for capacity and such capacity is not otherwise subject to a pending request for Transportation Services. If Transporter conducts such an open season it will post a notice of the open season on *GEMStm* 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, which evaluation criteria will be specified in the notice of open season, along with the details of what constitutes a valid bid request and details of when the successful bidder(s), if any, will be identified by posting of a notice on *GEMStm*. 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.
- i. Capacity made available in an open season may include capacity for service that commences outside of time periods set forth in Section 2.10(c) above or that includes reduction options under Section 35 of these General Terms and Conditions. Transporter shall conduct an open season to sell capacity in the following circumstances:

GENERAL TERMS AND CONDITIONS
(Continued)

- (1) If (i) 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 a net present value analysis, 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 35.5 of these General Terms and Conditions, Transporter shall (i) so indicate in its open season posting, and (ii) include a bid methodology based on a net present value analysis.

Except as otherwise set forth in subsections (1) and (2) above, any open season conducted by Transporter in accordance with this Section 2.10(i) shall comply with Section 2.10(h) above.

2.11 Availability of Operationally Created Capacity

- (a) To the extent that, pursuant to Section 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 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 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (c) To the extent mainline capacity is created and if within the three (3) Business Day period specified in Section 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 2 and 9 of these General Terms and Conditions and subject to the provisions of Section 2.11(d) below.
- (d) Any new agreement entered into pursuant to this Section 2.11 shall not be subject to the Right of First Refusal pursuant to Section 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 2.11(a) above, and Shipper is otherwise eligible for a Right of First Refusal under Section 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.

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 regulatory Right of First Refusal, the agreement to extend must be reached prior to initiation of the Right of First Refusal procedure pursuant to Section 22.3 of these General Terms and Conditions.

3. FACILITIES POLICY

- 3.1 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.

GENERAL TERMS AND CONDITIONS
(Continued)

3.2 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 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 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 3.2 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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 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 3.2 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 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 3.2 shall not in any way modify or limit existing capacity holders' rights under Section 22 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

4. RECEIPT AND DELIVERY POINT OPTIONS

4.1 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 4.1(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.

4.2 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.

GENERAL TERMS AND CONDITIONS
(Continued)

Notice is hereby given that effective May 1, 1994 Sheet No. 102A
of this Tariff is cancelled.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 4.2(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.
- 4.3 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.

GENERAL TERMS AND CONDITIONS
(Continued)

5. TRANSPORTATION SERVICE

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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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 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 14 of these General Terms and Conditions, and notwithstanding anything contained in this Section 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

GENERAL TERMS AND CONDITIONS
(Continued)

of this Section 5.1, Transporter shall curtail all services on a pro rata basis to preserve the operational integrity of its system.

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 of these General Terms and Conditions. Receipts on the Associated Liquefiabiles Agreement will be allocated pursuant to Section 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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 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 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 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 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.

5.4 Transportation of Associated Liquids. Nothing contained herein shall be construed to prevent the use of conventional

GENERAL TERMS AND CONDITIONS
(Continued)

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, and/or to charge the owner of the Associated Liquids a rate equal to the maximum rate pursuant to Rate Schedule ITS for each Dekatherm equivalent (assumed to be 5.8 Dth/barrel) of the transported Associated Liquids.

- 5.5 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 5.4), above, or to the owner of liquefiabiles (Section 5.2), above, shall be determined by the plant operator and the respective owners of the extracted products.

6. NOMINATIONS

Transporter shall accept nominations twenty-four (24) hours a Day via GEMStm 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 NAESB Standards Version 1.5 scheduled quantity related standards, Transporter shall send an end of Day Scheduled Quantity document, provided that receivers of the end of Day Scheduled Quantity documents can waive this requirement.

GENERAL TERMS AND CONDITIONS
(Continued)

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 the purpose of Sections 6.1(a)(2)-(4), below, "provide" shall mean, for transmittals pursuant to NAESB Standard 1.3.2 (Version 1.5), 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 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 nominating party;
- 7:00 a.m. Receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));
- 7:10 a.m. Transporter sends quick response;
- 8:30 a.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 9:00 a.m. Receipt of scheduled quantities by Shipper and point operator.

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

- (2) The Timely Nomination Cycle:
(All times are CCT on the Day prior to the Service Day.)

- 11:30 a.m. Latest time that nominations may leave control of the nominating party;
- 11:45 a.m. Receipt of nominations by Transporter (including from TTTSPs);
- 12:00 p.m. Transporter sends quick response;
- 3:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 4:30 p.m. Receipt of scheduled quantities by Shipper and point operator.

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

GENERAL TERMS AND CONDITIONS
(Continued)

(3) 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 nominating party;
- 6:15 p.m. Receipt of nominations by Transporter (including from TTSPs);
- 6:30 p.m. Transporter sends quick response;
- 9:00 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 10:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties.

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

(4) The Intra-day 1 Nomination Cycle:
(All times are CCT on the Service Day.)

- 10:00 a.m. Latest time that nominations may leave control of the nominating party;
- 10:15 a.m. Receipt of nominations by Transporter (including from TTSPs);
- 10:30 a.m. Transporter sends quick response;
- 1:00 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 2:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties.

Scheduled quantities resulting from the Intra-day 1 Nomination Cycle shall be effective at 5:00 p.m. CCT on the same Service Day.

(5) The Late Intra-day 1 Nomination Cycle:
(All times are CCT on the Service Day.)

- 3:00 p.m. Latest time that nominations may leave control of the nominating party;
- 3:00 p.m. Receipt of nominations by Transporter (including from TTSPs);
- 3:10 p.m. Transporter sends quick response;
- 4:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 5:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties.

Scheduled quantities resulting from the Late Intra-day 1 Nomination Cycle shall be effective at 5:00 p.m. CCT on the same Service Day.

GENERAL TERMS AND CONDITIONS
(Continued)

(6) The Intra-day 2 Nomination Cycle:
(All times are CCT on the Service Day.)

- 5:00 p.m. Latest time that nominations may leave control of the nominating party;
- 5:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);
- 5:30 p.m. Transporter sends quick response;
- 8:00 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 9:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Intra-day 2 Nomination Cycle shall be effective at 9:00 p.m. CCT on the same Service Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle except as provided for under Section 6.2(d) of these General Terms & Conditions.

(7) The Last Intra-day Nomination Cycle:
(All times are CCT on the Service Day.)

- 3:00 a.m. Latest time that nominations may leave control of the nominating party;
- 3:00 a.m. Receipt of nominations by Transporter (including from TTTSPs);
- 3:10 a.m. Transporter sends quick response;
- 4:30 a.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;
- 5:00 a.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Last Intra-day Nomination Cycle shall be effective at 5:00 a.m. CCT on the same Service Day. Bumping is not allowed during the Last Intra-day Nomination Cycle except as provided for under Section 6.2(d) of these General Terms & Conditions. The intra-day nominations set forth in sub-paragraphs 1, 5 and 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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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, 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 6.1, and the quantity allocated to such Rate Schedule MBS Shipper pursuant to Section 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (f) Any nomination that is submitted and validated by GEMStm 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 GEMStm, 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.

6.2 Implementation of Intra-day Nominations.

- (a) Subject to the deadlines in Section 6.1(a)(2)(3) or (4), above, intra-day 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 intra-day nominations specified in Section 6.1(a), above, will not apply to OFO-related intra-day nominations.

GENERAL TERMS AND CONDITIONS
(Continued)

- (b) Subject to upstream and downstream operators' confirmations Transporter's operating conditions, an intra-day nomination submitted pursuant to one of the deadlines set forth in Section 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 intra-day nomination for any quantity deemed already delivered based on an elapsed-prorated-scheduled quantity.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 5.1 of these General Terms and Conditions, provided that such changes are submitted via *GEMStm* or EDM in accordance with the nomination deadlines set forth in Section 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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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. Intra-day 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 GEMStm 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 6.2(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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 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).
- 6.4 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 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 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.
- 6.5 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,

GENERAL TERMS AND CONDITIONS
(Continued)

and the priority established for such Agreement(s) pursuant to Section 9.2 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 Shipper will be required to review GEMStm to view all scheduled nominations. Transporter will notify a Shipper via Electronic Communication, if a segmented nomination was not accepted and the reason why.

GENERAL TERMS AND CONDITIONS
(Continued)

7. FORCE MAJEURE

7.1 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 necessary repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity for testing (as required by governmental authority or as deemed necessary by Transporter for the safe operation thereof), the necessity of making 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 which are not reasonably in 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.

7.2 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 7.3 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. Transporter shall notify any affected Shipper of such Force Majeure by use of Electronic Communication.

8. OPERATIONAL FLOW ORDER(S) ("OFO").

- 8.1 General. For purposes of this Section 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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 8.4, below; or
- (b) utilize such services as may be available under an OFO performance contract in accordance with Sections 8.5 and 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.

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 13.3(a).

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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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.

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.

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

GENERAL TERMS AND CONDITIONS
(Continued)

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.

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.

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.

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

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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.

- 8.11 Reimbursement. If Transporter receives Gas pursuant to an OFO issued under Section 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 8.5 and 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 8.4, 8.5 and 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.

- 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 15 of these General Terms and Conditions.
- 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 8.11, above; provided, however, Transporter shall be liable for acts of negligence or undue discrimination, such standards to be

GENERAL TERMS AND CONDITIONS
(Continued)

judged in light of the emergency conditions under which OFOs are issued.

8.14 Transporter's Scheduling Authority. Transporter shall have the right to act as a scheduling agent for a Shipper's account if (a) the Shipper refuses to schedule gas receipts as specified by an OFO issued pursuant to Section 8.4(a); or (b), above, 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.

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.

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.

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

GENERAL TERMS AND CONDITIONS
(Continued)

under Original Volume No. 2 of Transporter's Tariff.

- 9.1 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.

- 9.2 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 9.2(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.

GENERAL TERMS AND CONDITIONS
(Continued)

9.3 Conditions

- (a) Notwithstanding the provisions of Section 9.2(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 Sections 9.2(a) and 9.2(b), above.
- (b) If more than one Agreement within one of the categories described in Sections 9.2(a) and 9.2(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.

10. SCHEDULING AND CURTAILMENT OF SERVICES

10.1 Scheduling. Subject to the provisions of Section 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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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 Sections 21 or 30, 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 10.1 will be based upon the applicable maximum tariff rates.

GENERAL TERMS AND CONDITIONS
(Continued)

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

10.2 Allocation and Curtailment of Capacity during a Service Day.

GENERAL TERMS AND CONDITIONS

(Continued)

(a) Subject to the provisions of Section 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 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.

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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

11. PRESSURE AT RECEIPT POINT(S) AND DELIVERY POINTS

- 11.1 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.
- 11.2 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 4.2(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.
- 11.3 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.

12. MEASUREMENT AND MEASUREMENT EQUIPMENT

- 12.1 (a) The volume of Gas delivered at the Receipt Point(s) and at the Delivery Point(s) shall be measured by:

GENERAL TERMS AND CONDITIONS

(Continued)

- (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.
- 12.2 (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

GENERAL TERMS AND CONDITIONS
(Continued)

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

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 subparagraph (4) of this subsection (b).
- (7) In determining the flowing temperature factor, supercompressibility factor, and compressibility ratio factor "s" for use in computing the volume of

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 12.3 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

GENERAL TERMS AND CONDITIONS

(Continued)

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.

12.4 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. 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;

Issued by: D. M. Ives, Vice President

Issued on: April 10, 1997

Effective on: June 1, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-171-000, issued February 14, 1997, 78 FERC ¶ 61,142

GENERAL TERMS AND CONDITIONS

(Continued)

- (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under

Issued by: D. M. Ives, Vice President

Issued on: April 10, 1997

Effective on: June 1, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-171-000, issued February 14, 1997, 78 FERC ¶ 61,142

GENERAL TERMS AND CONDITIONS
(Continued)

similar conditions when the meter was registering accurately.

- 12.5 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.
- 12.6 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.
- 12.7 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.

13. QUALITY

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

- 13.1 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:

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.

13.2 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.

Sheet No. 130.01 is Reserved for Future Use.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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;

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.

13.3 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (a) Procedures for Postings. Transporter shall establish Monitoring Points on its system for the purpose of posting Hydrocarbon Dewpoint limits pursuant to Section 13.3. 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,

GENERAL TERMS AND CONDITIONS
(Continued)

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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 13.3(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.

GENERAL TERMS AND CONDITIONS
(Continued)

(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 13.3.

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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 13.3 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.
- 13.4 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 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 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

GENERAL TERMS AND CONDITIONS
(Continued)

Section 16 of these General Terms and Conditions, for each Dekatherm of such Non-Conforming Gas.

- 13.5 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.

14. ALLOCATION OF RECEIPTS AND DELIVERIES, DAILY BALANCING

- 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 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 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 14.1(d), below. The MBS Supply Transportation shall be allocated as-nominated, pursuant to Section 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;

GENERAL TERMS AND CONDITIONS
(Continued)

- (3) Finally, all residual quantities, positive or negative, will be allocated pursuant to the following procedures:

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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.
- (b) Notwithstanding Section 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (c) If allocated deliveries hereunder exceed nominations and the MDQ under any Agreement, Transporter will, after applying the Swing Percentage, only charge the affected Shipper the applicable daily scheduling penalty for overdeliveries up to 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.
- 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,

GENERAL TERMS AND CONDITIONS
(Continued)

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 GEMStm 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 GEMStm 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.

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:

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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 14.2, above.

14.4 Prior Period Adjustments.

- (a) In accordance with the provisions of Sections 12.3, 12.4, 17.1 and 17.3 of these General Terms and Conditions, Transporter shall use the best information available to close its allocation of 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 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.
- (b) If an adjustment is required at a Receipt Point, such adjustment shall be allocated to the operator of facilities immediately upstream of that Receipt Point or the producer. If the adjustment results in an increase in the measured quantity, Transporter shall pay such operator or the producer an amount (as full consideration, inclusive of taxes and any other

GENERAL TERMS AND CONDITIONS
(Continued)

amounts) equal to the product of the adjustment quantity times the one hundred percent (100%) Cashout Price for the Service Month to which the adjustment applies. If the adjustment results in a decrease in the measured quantity, such operator or producer shall pay Transporter an amount equal to the product of the adjustment quantity times the one hundred percent (100%) Cashout Price for the Service Month to which the adjustment applies. Provided, however, that Transporter and the operator of the Receipt Point, or the producer, may agree to resolve the adjustment with Gas in-kind.

- (c) If an adjustment is required at a Delivery Point, such adjustment shall be allocated to the operator of facilities immediately downstream of that Delivery Point.

GENERAL TERMS AND CONDITIONS
(Continued)

If the adjustment results in an increase in the measured quantity, such operator shall pay Transporter an amount equal to the product of the adjustment quantity times the one hundred percent (100%) Cashout Price for the Service Month to which the adjustment applies. If the adjustment results in a decrease in the measured quantity, Transporter shall pay such operator an amount equal to the product of the adjustment quantity times the one hundred percent (100%) Cashout Price for the Service Month to which the adjustment applies. Provided, however, that Transporter and the operator of the Delivery Point may agree to resolve the adjustment with Gas in-kind.

- (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.

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.

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 GEMStm, 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

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 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 3.5(b) of Rate Schedule ETS, any other charges under this Tariff, in addition to any legal remedies otherwise available.
- 14.8 Electronic Information. Transporter shall operate its allocation procedures under this Section 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 14.4, above.
- 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 GEMStm 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

15. CASHOUT AND TRADING OF MONTHLY IMBALANCES.

- 15.1 (a) For the purposes of this Section 15, "Receipts" shall mean quantities of Gas allocated pursuant to Section 14 of these General Terms and Conditions, net of Transporter's Use, and "Deliveries" shall mean quantities of Gas allocated pursuant to Section 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 17 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

(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 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%

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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 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

Reserved for future use.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 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 15.1 above.
- 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 15.
- 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 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.
- 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 15.5(b), below; and (3) any prior positive balance(s) from any previous redetermination, pursuant to Section 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 on Sheet No. 17 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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.

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.

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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 15.7(f) above, will be cashed out pursuant to this Section 15.
- 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 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.

16. SPOT PRICE INDEX

Spot Price Index. The Spot Price Index shall be determined in accordance with the provisions of this Section 16:

- (a) Weighting of Spot Prices. The Spot Price Index shall be the weighted average of the Louisiana Spot Price Index, the Oklahoma Spot Price Index and the Canadian Spot Price Index (as determined below), for the Service Month. 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.
- (b) 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 for a week by use of the published weekly spot prices contained in the following two publications:
 - (i) Energy Intelligence's Natural Gas Week prices for onshore deliveries to Transporter of 5,000 MMBtu or more, and
 - (ii) Natural Gas Intelligence's Weekly Gas Price Index for the onshore deliveries to Transporter. 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (2) Oklahoma Spot Price Index. The spot price index for Southwest Receipts shall be the Oklahoma Spot Price Index and will be determined for a week by use of the published weekly spot prices contained in the following two publications: (i) Energy Intelligence's Natural Gas Week prices for deliveries to Transporter of 5,000 MMBtu or more, and (ii) Natural Gas Intelligence's Weekly Gas Price Index for deliveries to Transporter. 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) Price Reporting and Material Changes. The published spot prices used in determining the Louisiana Spot Price Index and the Oklahoma Spot Price Index shall be prices for short term contracts, preferably thirty to thirty-one Day contracts, on a delivered-to-interstate-pipeline basis. The published spot prices used shall be the Index prices (volume weighted average prices), or, if such a volume weighted average price is not available, an average of the high and low prices reported. If there is a material change by any of the publications to be used in determining the Louisiana Spot Price Index or the Oklahoma Spot Price Index in the definition of how prices are reported for deliveries to Transporter, then the prices for such deliveries in such publication will no longer be used in calculating the Index Price.
- (4) Cessation of Publications. To the extent the reported prices referenced above are not published for the Month required, Transporter shall determine the Louisiana Spot Price Index or Oklahoma Spot Price Index using another 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.

GENERAL TERMS AND CONDITIONS
(Continued)

(c) 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 for a week by use of the published weekly spot prices stated in U.S. Dollars in the following two publications: (i) Btu Weekly under the heading "Btu's Natural Gas Spot Diary, Canadian Export, Emerson, Weekly WACOG;" and (ii) Natural Gas Week under the heading "Canadian Price Report, Delivered to Pipe U.S.\$, Manitoba, Emerson Border". 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) applicable to a five hundred (500) mile haul.
- (2) Material Changes or Cessation of Publication. If there is a material change in the publication to be used in determining the Canadian Spot Price Index or in the definition of how prices are reported for deliveries to the interstate pipelines, then the prices for such pipelines in such publication will no longer be used in calculating the Index Price.

If, at any time, Btu Weekly or Natural Gas Week ceases publication, then the Bloomberg Natural Gas Report shall be substituted. If Bloomberg Natural Gas Report is used, the average of the high and low quote stated in U.S. Dollars in the map titled "Bloomberg Natural Gas/Petroleum Product Prices," under the heading "Emerson, Manitoba", plus the Viking Variable Costs, shall be utilized. To the extent the reported prices referenced above are not published for the Month required, Transporter shall determine the Canadian Spot Price Index using another 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (d) Spot Price Index - Mainline. The Mainline Spot Price Index for the Service Month shall equal the Spot Price Index as determined in Section 16(a), above.

17. BILLING AND PAYMENT

- 17.1 Billing. On or before the ninth (9th) Business Day of each Month, Transporter shall render (for purposes of this Section 17.1, "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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 17.2 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

Issued by: D. M. Ives, Vice President

Issued on: April 10, 1997

Effective on: June 1, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-171-000, issued February 14, 1997, 78 FERC ¶ 61,142

GENERAL TERMS AND CONDITIONS
(Continued)

designated by Transporter's Controller 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's Controller, 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 such failure to pay continues for thirty (30) Days after payment is due, Transporter, in addition to any other remedy it may have hereunder, may upon receipt of the appropriate regulatory approval, if any, suspend further delivery of Gas until such amount is paid. If Shipper in good faith disputes the amount of any such bill or part thereof and pays to Transporter such amounts, if any, as it concedes to be correct and, at any time thereafter within thirty (30) Days of a demand made by Transporter, furnishes a good and sufficient surety bond in an amount and with surety satisfactory to Transporter or other assurance acceptable to Transporter, guaranteeing payment to Transporter of the unpaid amount, then Transporter shall not be entitled to suspend further delivery of such Gas unless and until default be made in the conditions of such bond.

- 17.3 Adjustment of Billing Errors. Subject to the provisions of Sections 12.3, 12.4 and 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 bills 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

GENERAL TERMS AND CONDITIONS
(Continued)

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. If the

Issued by: D. M. Ives, Vice President

Issued on: April 10, 1997

Effective on: June 1, 1997

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-171-000, issued February 14, 1997, 78 FERC ¶ 61,142

GENERAL TERMS AND CONDITIONS
(Continued)

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.

- 17.4 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's Controller. Refunds of an amount less than \$50,000 will be paid by Transporter to Shipper by check.

18. MISCELLANEOUS

- 18.1 Responsibility for Gas. Upon receiving delivery of Gas and Associated Liquids to be transported at the Receipt Point(s), Transporter shall be in exclusive control and possession of such Gas and Associated Liquids and responsible for any loss thereof, or any and all injury or damage caused thereby, until the Equivalent Quantities of Gas and the Associated Liquids 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 Associated Liquids and responsible for any and all injury or damage caused thereby.
- 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 and Associated Liquids for transportation hereunder good title to such Gas and Associated Liquids and/or good right to cause the Gas and Associated Liquids 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

GENERAL TERMS AND CONDITIONS

(Continued)

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.

- 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.
- 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.
- 18.5 Creditworthiness. Transporter shall not be required to commence service or, subject to the following timing provisions, to continue to provide service under an Agreement with any Shipper, that (a) is or has become insolvent; (b) has applied for bankruptcy under Chapter 11 of the Bankruptcy Code, or which is subject to similar proceedings under State or Federal law; or (c) when requested by Transporter to demonstrate creditworthiness, fails to do so in Transporter's reasonable judgement, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, that any such Shipper that is receiving service shall continue to receive service for a period

GENERAL TERMS AND CONDITIONS
(Continued)

of fifteen (15) Days after written notice by Transporter of any such circumstance, and shall continue thereafter to receive service if, within such fifteen (15) Day notice period, such Shipper (a) deposits with Transporter and maintains, on account, an amount which would be due for three (3) Months service at the full Maximum Daily Quantity plus an amount equal to the three (3) highest Cashout payments, if any, incurred during the previous twelve (12) Months, or (b) furnishes good and sufficient security, which may include an acceptable standby letter of credit, or Monthly prepayment agreement or other security as reasonably determined by Transporter of a continuing nature and in an amount no less than such amounts which would be due for service, which may include a grant to Transporter of a security interest in collateral found to be satisfactory to Transporter, or a guarantee acceptable to Transporter, by another person or entity that satisfies credit appraisal, or any combination thereof upon which Transporter and Shipper mutually agree. If such payment on account or payment security is not received within such fifteen (15) Day notice period, Transporter may, without waiving any rights or remedies it may have, suspend further service for a period of ten (10) Days. If such payment on account or a payment security is not received within such ten (10) Day suspension period, then Transporter shall no longer be obligated to continue to provide service to such Shipper.

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.

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

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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 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.
- 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.
- 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.
- 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.
- 18.13 Waiver of Penalties. Transporter shall waive the following penalties where the imposition thereof is not necessary to prevent the impairment of reliable service:
- (a) daily scheduling penalties assessed as a result of allocations of deliveries pursuant to Section 14.1(a)(3)(iii) 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

GENERAL TERMS AND CONDITIONS
(Continued)

(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.

18.15 Compliance with North American Energy Standards Board. Transporter has adopted all of the business practices and electronic communication standards that were incorporated in 18 CFR 284.12(a) in accordance with Order No. 587, et al and Order 698. Transporter specifically incorporates the NAESB Model Trading Partner Agreement and the following practices and standards of Version 1.8, except that Standard 4.3.23 refers to 2008 Annual Plan Item 10, into this Tariff. Notwithstanding this Section 18.15, Transporter shall adhere to the NAESB Standards as modified by Order No. 717. Standard Nos.

0.2.1-0.2.3, 0.3.1-0.3.15, 0.4.1, 1.2.1-1.2.6, 1.2.8-1.2.19, 1.3.2(vi), 1.3.6, 1.3.9, 1.3.13, 1.3.15, 1.3.16, 1.3.20-1.3.28, 1.3.30-1.3.33, 1.3.35-1.3.38, 1.3.39*, 1.3.40-1.3.50, 1.3.52-1.3.77, 1.3.79, 1.4.1-1.4.4, 1.4.5-1.4.7, 2.2.1-2.2.5, 2.3.1-2.3.6, 2.3.8, 2.3.10-2.3.13, 2.3.19, 2.3.20, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 2.3.31-2.3.35, 2.3.40-2.3.65, 2.4.1-2.4.18, 3.3.1-3.3.13, 3.3.16, 3.3.18, 3.3.20-3.3.26, 3.4.1-3.4.4, 4.2.1-4.2.20, 4.3.1-4.3.3, 4.3.5, 4.3.16-4.3.18, 4.3.20, 4.3.22-4.3.25, 4.3.26-4.3.36, 4.3.38-4.3.62, 4.3.65-4.3.69, 4.3.72-4.3.76, 4.3.78-4.3.87, 4.3.89-4.3.93, 5.2.1, 5.2.2, 5.2.3, 5.3.9, 5.3.17, 5.3.18, 5.3.21-5.3.23, 5.3.25, 5.3.30-5.3.43, 5.3.46, 5.3.47, 5.3.48, 5.3.50, 5.3.52, 5.3.59, 5.3.60, 5.4.1-5.4.23, 10.2.1-10.2.38, 10.3.1, 10.3.3-10.3.25.

* Except as provided for under Section 6.2(d) of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

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.

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 of these General Terms and Conditions.
- (c) After Transporter has allocated Gas for Shippers according to the provisions of Section 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 Sections 5.1(a) and (b) of these General Terms and Conditions.

Issued by: Byron S. Wright, Vice President

Issued on: January 20, 2006

Effective on: February 1, 2006

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP06-92, issued December 15, 2005, 13 FERC ¶ 61,273

GENERAL TERMS AND CONDITIONS
(Continued)

20. CAPACITY TRADING

This Section 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 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

GENERAL TERMS AND CONDITIONS
(Continued)

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 21.1(i) of these General Terms and Conditions as if the trades were pre-arranged releases at maximum rates.

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.

- 21.1 Procedure. Capacity released shall be subject to the terms and conditions of this Section 21.1.

GENERAL TERMS AND CONDITIONS
(Continued)

- (a) 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 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 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 10.3 of these General Terms and Conditions. In addition, the following conditions shall apply:

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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 2.4 and 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.

GENERAL TERMS AND CONDITIONS
(Continued)

(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 2.4 of these General Terms and Conditions and subject to the conditions specified in this Section 21.1(a)(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).

- (b) 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 this Section 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 this Section 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.
- (c) Term. Any release under this Section 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.

GENERAL TERMS AND CONDITIONS
(Continued)

(d) 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 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 Notification

- (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 (Central Clock Time);

(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 (Central Clock Time);

(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 (Central Clock Time);

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 (Central Clock Time); and
- (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 2:30 p.m. 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 3:30 p.m. on the day that Intraday 2 Nominations are due (Central Clock Time).

In the event of an intra-day 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 (Central Clock Time).

The Releasing Shipper shall make such recall effective by communicating the recall via *GEMStm* and submitting a nomination change to Transporter, pursuant to Section 6.1 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

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 17.2 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 6.1 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.
- (e) 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 21.1 (f) below regarding the capacity release timeline.

GENERAL TERMS AND CONDITIONS

(Continued)

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* or EDM or submitted in writing 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 21.1(f), below.

(f) The following capacity release timeline 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, and there are no special terms or conditions of the release:

(i) For biddable releases (less than 1 year):

- (1) offers should be tendered by 12:00 P.M. on a Business Day;
- (2) open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- (3) evaluation period ends and award posting if no match required at 2:00 P.M.;
- (4) match or award is communicated by 2:00 P.M.;
- (5) match response by 2:30 P.M.;
- (6) where match required, award posting by 3:00 P.M.;
- (7) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(ii) For biddable releases (1 year or more):

- (1) offers should be tendered by 12:00 P.M. four Business Days before award;
- (2) open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
- (3) evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (4) evaluation period ends and award posting if no match required at 2:00 P.M.;
- (5) match or award is communicated by 2:00 P.M.;
- (6) match response by 2:30 P.M.;
- (7) where match required, award posting by 3:00 P.M.;
- (8) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

GENERAL TERMS AND CONDITIONS
(Continued)

(iii) For non-biddable releases:

Timely Cycle

Posting of prearranged deals not subject to bid are due by
10:30 A.M.

Evening Cycle

Posting of prearranged deals not subject to bid are due by
5:00 P.M.

Intraday 1 Cycle

Posting of prearranged deals not subject to bid are due by
9:00 A.M.

Intraday 2 Cycle

Posting of prearranged deals not subject to bid are due by
4:00 P.M.

For each cycle, contracts will be issued within one hour of
award posting (with a new contract number, when applicable);
nomination possible beginning at the next available
nomination cycle for the effective date of the contract.
(Central Clock Time)

(g) 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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. The maximum and minimum rates may separately identify surcharges and direct bills, or such amounts can be included in the total rate.

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 or percentage of the maximum tariff rate 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 Subsection 21.1(i) 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.

GENERAL TERMS AND CONDITIONS
(Conditions)

- (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) Whether Releasing Shipper requires bidders to post a deposit with Transporter, not to exceed the amount required by Transporter pursuant to Section 2.1 of these General Terms and Conditions, to guard against frivolous bids. Deposits will be refunded to losing bidders at the time the capacity is awarded, and credited against the Replacement Shipper's invoices until fully utilized.

GENERAL TERMS AND CONDITIONS
(Conditions)

- (14) Whether Releasing Shipper will require Replacement Shipper to post a deposit, not to exceed the amount required by Transporter pursuant to Section 2.1 of these General Terms and Conditions, to guard against payment defaults if Transporter waives the deposit requirement contained in Section 2.1 of these General Terms and Conditions. Such deposit will be paid by the Replacement Shipper to Transporter at the time specified in Section 2.1 of these General Terms and Conditions, and will be credited against Replacement Shipper's invoices until fully utilized.

GENERAL TERMS AND CONDITIONS
(Continued)

- (15) 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.
 - (16) 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 Sections 4.1(b)(2) and 4.2(b)(2) of these General Terms and Conditions for use of Secondary Points by the Replacement Shipper.
 - (17) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder.
 - (18) Transporter shall not be liable for information provided to Transporter, including any such information that is posted on GEMStm, or with respect to the deposit required by the Replacement Shipper pursuant to Section 21.1(g)(14) of these General Terms and Conditions.
 - (19) 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 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.
 - (20) 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.
 - (21) An indication of whether the Pre-arranged capacity release is to an asset manager as described in Subsection 21.1(i), 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.
 - (22) An indication of whether the Pre-arranged capacity release is to a marketer participating in a state-regulated retail access program as described in Subsection 21.1(i).
- (h) 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

The Bidding Shipper shall be entitled to withdraw its bid either via GEMStm or EDM, 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 21.1(h)(1), above.

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.

- (i) 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 either confirm via GEMStm or EDM 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

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 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 21. Transporter will support the electronic upload of pre-arranged releases.

- (j) 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 (1) 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

GENERAL TERMS AND CONDITIONS
(Continued)

Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Shipper. No later than 2:00 p.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 3:00 p.m.

- (k) Awarding of Capacity Available for Release. Capacity for Releases subject to bidding will be awarded no later than 3:00 p.m. 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* by 4:00 p.m.

GENERAL TERMS AND CONDITIONS
(Continued)

- (l) 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.
- (m) No Rollover. The Releasing Shipper shall not re-release firm entitlements that were previously released pursuant to Section 21.1(i)(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 21.1(i). Subsections 21.1(i)(1), 21.1(i)(3) and 21.1(i)(4) transactions can be rolled-over for subsequent periods without bidding.
- (n) 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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 21.1, above. In the event a Replacement Shipper does not satisfy Transporter's creditworthiness requirements such Shipper shall be required to comply with the creditworthiness requirements of Section 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 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 15, 17 and 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 4.1 and 4.2 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 4.1 and 4.2 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 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 2.4(b), 4.1 and 4.2 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 21.1(g)(14) of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 Sections 4.1(b)(2) and 4.2(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 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 21.2(d).
- 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.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

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.

21.5 Transporter's Right to Suspend or Terminate a Capacity Release.

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

- (a) The Releasing Shipper, pursuant to Article 21, has failed to maintain creditworthiness in accordance with Article 18.5 such that Transporter has provided notice that it will suspend and then terminate Releasing Shipper's Agreement; 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.

22. RIGHT OF FIRST REFUSAL.

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 22), by exercising a right of first refusal.

GENERAL TERMS AND CONDITIONS
(Continued)

22.2 Eligibility. 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). If a Shipper's Agreement does not qualify for the right of first refusal under this Section 22, then Transporter in a not unduly discriminatory manner may agree otherwise with any such Shipper. However, capacity (i) sold on an interim basis in accordance with Section 3.2, Capacity Reserved for Expansion Projects, of these General Terms and Conditions or (ii) sold under Rate Schedule FTS-4L, shall not be eligible for a right of first refusal unless Transporter and Shipper agree to a conditional contractual ROFR that would take effect, with respect to (i) above, upon a determination that the proposed project will not go forward and with respect to (ii) above, upon the extension for a commensurate term of the applicable FTS-4 Agreement(s) needed to provide Transportation Service under the FTS-4L Agreement.

Also, the right of first refusal will not be applicable to interim Service Agreements for entitlement associated with capacity that is already under contract for a future period subject to the following conditions and in accordance with Section 2.10 (i) of these General Terms and Conditions:

- a) The future capacity must have been sold through an open season bidding process permitting bids for capacity for service to start immediately or anytime in the future;
- b) The bids must have been evaluated on a net present value basis; and
- c) The future capacity must have been awarded to the Shipper providing the highest net present value bid.

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.

22.3 Procedure.

- (a) Except as to expiring Capacity that is the subject of the provisions of subsection (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

GENERAL TERMS AND CONDITIONS
(Continued)

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 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 subsection (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.

GENERAL TERMS AND CONDITIONS
(Continued)

If Transporter notifies Shipper that there are no bona fide offers for Shipper's Capacity under Section 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 22.3, offers will be deemed bona fide if made in compliance with Section 2.1 of these General Terms and Conditions. Any party that has an outstanding request for firm service under Section 9.1 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 Sections 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 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 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.

GENERAL TERMS AND CONDITIONS
(Continued)

23. INTERNET SITE

GEMStm is available via Transporter's Internet site at www.anrpl.com. To access GEMStm 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 GEMStm, Transporter will provide periodic updates for such instructions to its users.

SHEET NO. 162B IS RESERVED FOR FUTURE USE

SHEET NO. 162B.01 IS RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

24. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT

24.1 Purpose. The purpose of this Section 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.

24.2 Applicable Rate Schedules: The ACA as set forth on Sheet No. 17 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

24.3 Filing Procedure. Proposed changes in the ACA shall be filed by Transporter at least thirty (30) Days prior to the proposed effective date unless, for good cause shown, lesser periods are allowed by valid Commission Order.

The proposed effective date of the filings shall be October 1 of each calendar year. Any such filing shall not become effective until it becomes effective without suspension or refund obligation.

24.4 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.

24.5 Basics of the Annual Charge Adjustment. The Rate Schedules specified in Section 24.2, above, shall include an increment for an Annual Charge Adjustment for costs specified in Section 24.1, 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 on Sheet No. 17 of this Tariff.

GENERAL TERMS AND CONDITIONS
(Continued)

25. GAS RESEARCH INSTITUTE PASSTHROUGH PROVISION

- 25.1 Purpose: Transporter shall be a voluntary collection agent for Shippers who voluntarily choose to support Gas Research Institute ("GRI") as provided in Section 25.3, below.
- 25.2 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 25.3, below, including any identified project or project areas.
- 25.3 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.

Sheet No. 164 is Reserved for Future Use.

GENERAL TERMS AND CONDITIONS
(Continued)

26. RESERVED FOR FUTURE USE

Sheet No. 166 is Reserved for Future Use

Sheet No. 167 is Reserved for Future Use

Sheet No. 168 is Reserved for Future Use

Sheet No. 169 is Reserved for Future Use

Sheet No. 170 is Reserved for Future Use

Sheet No. 171 is Reserved for Future Use

GENERAL TERMS AND CONDITIONS
(Continued)

27. RESERVED FOR FUTURE USE

Sheet No. 173 is Reserved for Future Use

GENERAL TERMS AND CONDITIONS
(Continued)

28. RESERVED FOR FUTURE USE

Sheet No. 175 is Reserved for Future Use

Sheet No. 176 is Reserved for Future Use

Sheet No. 177 is Reserved for Future Use

Sheet No. 178 is Reserved for Future Use

Sheet No. 179 is Reserved for Future Use

Sheet No. 180 is Reserved for Future Use

Sheet No. 181 is Reserved for Future Use

Sheet No. 182 is Reserved for Future Use

Sheet No. 183 is Reserved for Future Use

Sheet No. 184 is Reserved for Future Use

Sheet No. 185 is Reserved for Future Use

Sheet No. 186 is Reserved for Future Use

Sheet No. 187 is Reserved for Future Use

GENERAL TERMS AND CONDITIONS
(Continued)

29. DEFERRED TRANSPORTATION COST ADJUSTMENT PROVISION

- (a) Purpose. This Section establishes the mechanism ("Deferred Transportation Cost Adjustment") for the passthrough by Transporter of the over/underrecovery of costs related to FERC Account No. 858 capacity that Transporter is authorized pursuant to Commission orders to maintain or replace, as defined in Section 29(a)(1), below, ("Qualifying Transportation Costs"). The base rates and charges applicable to all Rate Schedules shall be adjusted, where applicable, by Transporter on an annual basis to reflect an adjustment of Qualifying Transportation Costs

GENERAL TERMS AND CONDITIONS
(Continued)

- (1) Qualifying Transportation Costs. As used in this Section 29, the term Qualifying Transportation Costs shall mean the fixed monthly charges and commodity costs which Transporter incurs for the transmission and compression of gas by others recorded in FERC Account No. 858, for service set forth on Schedule I-4 of the rate case filed by Transporter on November 1, 1993, as adjusted by compliance filing dated April 7, 1994. Qualifying Transportation Costs shall include the costs of any contract amendments and contract replacements. Qualifying Transportation Costs shall exclude: (a) Viking Transportation Costs and (b) the amortization of any Reverse Auction costs included on the Schedule I-4 referenced above and (c) any costs or credits for periods prior to the effectiveness of the rates set forth in Transporter's general rate case filing of November 1, 1993. This Section shall not be construed to affect Transporter's right to recover transition costs as Transporter may incur in connection with its contracts with other pipelines providing transmission and compression services or otherwise, such rights being expressly reserved, subject to applicable Commission orders and regulations.

- (2) Effective Date. Transporter shall file to place into effect on each May 1, beginning with May 1, 1995, a Deferred Transportation Cost Adjustment, provided, however, that such filings shall only be required to be made by Transporter to the extent that the level of Qualifying Transportation Costs varies by greater than ten percent (10%) from the level of such costs as of the effective date of the rates established by Transporter's settlement at Docket No. RP94-43-000; provided, further, that in the event that any Account No. 858 service provider increases or decreases its aggregate charges to Transporter by such ten percent (10%) level in any twelve (12) Month period, and subsequently refunds or surcharges any portion of those amounts, Transporter shall then credit or direct bill the refunded or surcharged amount, as the case may be, to shippers. Further, no change shall be made under the provisions hereof to any Rate Schedule unless the change in rates for such Rate Schedule is at least one cent per dth of MDQ for Reservation charges, or at least one mill for Commodity Charges. The change in commodity rates shall be computed to the nearest 1/100th of one cent. In the event any such change is precluded by law from going into effect on such date, it shall be made effective as soon thereafter as permitted by law.

GENERAL TERMS AND CONDITIONS
(Continued)

(3) Filing Procedure. At least thirty (30) Days prior to the May 1 effective date of each Deferred Transportation Cost Adjustment, Transporter shall file with the Federal Energy Regulatory Commission and post, as defined by Section 154.2(d) of the Commission's Regulations, the Deferred Transportation Cost Adjustment, together with supporting computations. Transporter shall be authorized to begin to collect such Deferred Transportation Cost Adjustment on the May 1 following such filing. Each such Deferred Transportation Cost Adjustment shall remain in effect for the subsequent twelve (12) Month period. Upon termination of this Section 29, Transporter is authorized to collect or refund amounts, as appropriate, in its Deferred Transportation Account, with carrying charges, as of such termination date. Transporter shall file to charge or credit such amounts over a twelve (12) Month period commencing with the first Month Transporter is able to effectuate a rate adjustment. Any Deferred Transportation Cost Adjustments which are in effect upon such termination date may continue until the end of the applicable twelve (12) Month recovery period. In each filing which Transporter shall make rate adjustments to its base tariff rates pursuant to this Section 29, Transporter shall include workpapers detailing the basis used to determine all transportation amounts, carrying charges, and rate calculations.

(b) Deferred Transportation Account:

Transporter shall maintain a Deferred Transportation Cost Account to record the Monthly difference between actual Qualifying Transportation Costs incurred and the amounts reflected in Transporter's base tariff rates for transportation costs, on an as-billed basis. For purposes of determining actual amounts recovered by Month, Transporter shall assume a one-twelfth recovery of the annual Qualifying Transportation Costs underlying its billed rates for such Month. Transporter shall adjust Qualifying Transportation Costs to exclude charges or credits for periods prior to January 9, 1995, and for the effect of any final rate determination of the November 1, 1993 rate case filing, to include an offset for amounts previously credited or refunded herein.

GENERAL TERMS AND CONDITIONS
(Continued)

(c) Determination of Deferred Transportation Cost Adjustment:

The amount of each Deferred Transportation Cost Adjustment shall be equal to the balance in Transporter's Deferred Transportation Cost Account three (3) Months prior to the May 1 effective date, plus estimates for the subsequent three (3) Month period, plus carrying charges calculated pursuant to Section 29(e), below. The recovery period shall be over the twelve (12) Months beginning with each May 1 effective date. The Deferred Transportation Cost Adjustment applicable to each Rate Schedule shall be calculated by Transporter based upon the same rate design method and design volumes underlying its currently effective rates.

(d) Crediting of Refunds Received, Debiting of Surcharges:

Commencing with the effective date of this Section 29, Transporter shall credit all refunds received for its Qualifying Transportation Costs attributable to periods after the effective date hereof to its Deferred Transportation Cost Account. Commencing with the effective date of this Section 29, Transporter shall similarly charge for any retroactive surcharge or rate adjustments of eligible contracts defined under Qualifying Transportation Costs.

(e) Carrying Charges:

Each Month Transporter shall credit or debit its Deferred Transportation Account, as appropriate, with carrying charges. Carrying charges shall be computed by separate demand and commodity components. Carrying charges shall be calculated in a manner consistent with the procedures set forth in Section 154.501 of the Commission's Regulations.

GENERAL TERMS AND CONDITIONS
(Continued)

(f) CenterPoint Transportation:

If Transporter accepts a certificate in Docket No. CP89-2195, *et al.* after the close of the test period in the rate case filed by Transporter on November 1, 1993, but prior to the filing of another general rate case, Transporter shall not adjust its rates in Docket No. RP94-43 to reflect the acquisition of the CenterPoint facilities. In addition, to the extent that the Schedule I-4 transportation costs underlying Transporter's then effective base tariff rates include transportation costs associated with such CenterPoint capacity, Transporter shall cease to recover such Account No. 858 costs concurrently with any adjustment for CenterPoint facility costs permitted by the Commission.

30. NEGOTIATED RATES

- 30.1 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 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.
- 30.2 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 sheet 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 sheet 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.

GENERAL TERMS AND CONDITIONS
(Continued)

- 30.4 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.
- 30.5 Limitations. This Section 30 does not authorize Transporter to negotiate terms and conditions of service.
- 30.6 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 Section 21.1(g), (h) and (i) of these General Terms and Conditions.
- 30.7 Right of First Refusal. For purposes of exercising rights to continue service pursuant to Section 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.
- 30.8 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.

General Terms & Conditions
(Continued)

31. Non-Conforming Agreements

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

Contract No. 106102

2. Madison Gas and Electric Company,

ETS Agreements, dated October 29, 2001.

Contract Nos. 106450, 106454, 106456, 106460, 106466, 106468,
106469, 106470

FTS-1 Agreements, dated October 29, 2001.

Contract Nos. 106458, 106482, 106483, 106484, 106485, 106486,
106487, 106488

FSS Agreements, dated October 29, 2001.

Contract Nos. 106463, 106465

NNS Agreement, dated October 29, 2001.

Contract No. 106455

3. Michigan Consolidated Gas Company, ETS Agreements, dated November 1, 2003.

Contract Nos. 108184, 108185

4. Dynegy Marketing and Trade, FTS-3 Agreement, dated April 1, 2003.

Contract No. 108993

5. Callon Petroleum Operating Company, Habanero Lease Dedication Agreement, dated December 1, 2003.

General Terms & Conditions
(Continued)

31. Non-Conforming Agreements

6. BP Exploration and Production Inc., 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. Kerr-McGee Corporation, Lease Dedication Agreement (Baldpate/Conger, Garden Banks Area, Gulf of Mexico), dated February 1, 2003.
11. Conoco Phillips Company, Magnolia Lease Dedication Agreement, dated February 1, 2004.
12. Constellation NE WI, FTS-1 Agreement, dated November 1, 2004.
Contract No. 109836
13. Noble Energy, Inc., Boris Lease Dedication Agreement, dated March 1, 2004.
14. Centra Gas Manitoba, Inc., FTS-1 Agreement, dated August 1, 2004.
Contract No. 109713
15. Constellation Newenergy - Gas Division WI, FTS-1 Agreements dated November 1, 2004.
Contract Nos. 110990, 111009
16. Conoco Phillips Company, K2 Lease Dedication Agreement, dated April 15, 2005.
17. ENI Petroleum Exploration Co. Inc., K2 Lease Dedication Agreement, dated April 19, 2005.
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. Constellation Newenergy - Gas Division, WI, FTS-1 Agreement, dated June 28, 2005.
Contract No. 111780
21. Midland Cogeneration Venture Limited Partnership, FTS-1 Agreements, dated May 23, 2006.
Contract Nos. 112546, 112547

GENERAL TERMS AND CONDITIONS
(Continued)

32. 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.

Issued by: Byron S. Wright, Vice President

Issued on: January 20, 2006

Effective on: February 1, 2006

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP06-92, issued December 15, 2005, 13 FERC ¶ 61,273

GENERAL TERMS AND CONDITIONS
(Continued)

- (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 sheet 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.

33. 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.

GENERAL TERMS AND CONDITIONS
(Continued)

34. CREDITING OF PENALTY REVENUES

- 34.1 Definition. As used in this Section 34, 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 14.1(a)(3) (iii) 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 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.
- 34.2 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.

General Terms and Conditions
(Continued)

35. 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 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 35, the provisions of Section 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.

35.1 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 35.1 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 35.1, 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.

General Terms and Conditions
(Continued)

- 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 35.1, 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.

35.2 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 35.2, 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.

General Terms and Conditions
(Continued)

- 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 35.2, 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.

35.3 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.

General Terms and Conditions
(Continued)

- b. Notice and Certification. In order to qualify for a reduction in its Contract Quantities under this Section 35.3, 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 35.3.
- 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 subsection (d) below.
- d. Storage and Related Transportation. If Shipper has storage and related transportation contract(s) that contain contract reduction options under this Section 35.3, 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.

General Terms and Conditions
(Continued)

35.4 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 35.4, 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 35.4, 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.

35.5 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 35, provided that the request will be subjected to an open season process in accordance with Section 2.10 (i) of these General Terms and Conditions and the bid methodology will include a net present value analysis.

General Terms and Conditions
(Continued)

36. MARSHFIELD CONTRACTS

This Section shall apply to all Shippers who entered into amended and restated agreements with Transporter ("Marshfield Shippers") as a result of a Marshfield Term Sheet dated October 4, 2004 to ensure adequate flowing volume commitments at Transporter's Marshfield Receipt Point in Wood County, Wisconsin.

36.1 Marshfield OFO Limitation. Transporter's rights under Section 8 of these General Terms and Conditions to issue a Receipt Point OFO at Marshfield shall be limited to the Winter Period only.

36.2 Contract Amendments. Except as provided for below or unless mutually agreed otherwise, Primary Receipt Point amendments away from Marshfield will not be approved during a Marshfield Shipper's respective contract term.

A. Primary Point amendments away from Marshfield will be allowed for Marshfield Contracts under the following provisions:

1. If any contract having a winter MDQ sourced from points south and/or east of Transporter's Sandwich Compressor Station that have Primary Delivery Points within the Marshfield affected area terminates before the Marshfield Contracts terminates, then, prior to posting the availability of the capacity, Transporter will provide notice to the Marshfield Shippers of the contract termination and allow Marshfield Shippers to transfer Primary Receipt Point MDQ from Marshfield to any existing Receipt Point that is within the path of the terminating contract, unless such transfer is detrimental to existing firm service.
2. If the aggregate MDQ of the Marshfield Shippers seeking amendments to their Marshfield Contracts exceeds the MDQ of any terminated contract in Section 1 above, then the MDQ for the relevant Marshfield Contracts will be reduced by the MDQ level of such terminated contracts on a pro rata basis based on the aggregate MDQ of the Marshfield Shippers seeking amendments to their Marshfield Contracts.

General Terms and Conditions
(Continued)

3. If the Receipt Point is in ML7, then the discount and service seasonality will continue to apply for the remaining initial term of the contract. Otherwise, the rate from any other zone will need to be agreed upon prior to making the contract amendment, but such rate will not exceed maximum rates less the absolute dollar discount on the rate initially stated in Shipper's Marshfield Contract. Once the contract amendment becomes effective, which will create a standard pro forma contract for these particular volumes, a Marshfield Shipper may request a change to a Receipt Point outside of the path of the terminated contract that made such contract amendment possible, pursuant to these General Terms and Conditions.
4. If Transporter's Wisconsin system operations change whereby all or any portion of the Marshfield Contracts are no longer necessary to meet the obligations of the Viking settlement, Transporter will provide notice to the Marshfield Shippers of the operational change and allow the respective Marshfield Shippers to amend their contracts to a standard pro forma contract, including a change of the Primary Receipt Point MDQ from Marshfield to any existing Receipt Point on Transporter's system pursuant to these General Terms and Conditions.
5. If a Shipper chooses to participate in a system expansion that provides incremental capacity from an alternative Receipt Point to replace Marshfield receipts.

GENERAL TERMS AND CONDITIONS
(Continued)

37. 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 37 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 sheets 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 on Sheet No. 19 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).

GENERAL TERMS AND CONDITIONS
(Continued)

(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 on Sheet No. 19A 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.

GENERAL TERMS AND CONDITIONS
(Continued)

(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).

GENERAL TERMS AND CONDITIONS
(Continued)

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).

38. 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 37 of these General Terms and Conditions; (ii) maintain system pressure and line pack; (iii) manage imbalance quantities pursuant to Section 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.

GENERAL TERMS AND CONDITIONS
(Continued)

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 sale 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 15 (Cashout) of these General Terms and Conditions.

Sheet No. 198 is Reserved for Future Use

Sheet No. 199 is Reserved for Future Use

Notice is hereby given that effective February 1, 1995 Sheet Nos. 200 through 201 of this Tariff, are to be cancelled.

SHEET NO. 201 IS RESERVED FOR FUTURE USE.

NOTICE OF CANCELLATION

Sheet Nos. 202 and 203 are cancelled and are reserved for future use

SHEET NO. 203 IS RESERVED FOR FUTURE USE.

NOTICE OF CANCELLATION

The following tariff sheets have been superseded:

Third Revised Sheet No. 204
Third Revised Sheet no. 205
Second Revised Sheet No. 206
Second Revised Sheet No. 207
Second Revised Sheet No. 208
Second Revised Sheet No. 209

SHEET NO. 205 IS RESERVED FOR FUTURE USE.

SHEET NO. 206 IS RESERVED FOR FUTURE USE.

SHEET NO. 207 IS RESERVED FOR FUTURE USE.

SHEET NO. 208 IS RESERVED FOR FUTURE USE.

SHEET NO. 209 IS RESERVED FOR FUTURE USE.

NOTICE OF CANCELLATION

Sheet No. 210-213 are cancelled and reserved for future use

SHEET NO. 211 IS RESERVED FOR FUTURE USE.

SHEET NO. 212 IS RESERVED FOR FUTURE USE.

SHEET NO. 213 IS RESERVED FOR FUTURE USE.