

## Table of Contents

Fifth Revised Sheet No. 0	7
First Revised Sheet No. 1	8
Ninth Revised Sheet No. 2	9
Fifth Revised Sheet No. 3	10
Original Sheet No. 4	11
Original Sheet No. 5	12
Tenth Revised Sheet No. 6	13
Sheet Nos. 7-9	14
First Revised Sheet No. 10	15
First Revised Sheet No. 11	16
First Revised Sheet No. 12	17
First Revised Sheet No. 13	18
Fifth Revised Sheet No. 14	19
Sub Second Revised Sheet No. 15	20
Third Revised Sheet No. 16	21
First Revised Sheet No. 17	22
First Revised Sheet No. 18	23
Third Revised Sheet No. 19	24
First Revised Sheet No. 20	25
First Revised Sheet No. 21	26
Original Sheet No. 22	27
Second Revised Sheet No. 23	28
First Revised Sheet No. 23A	29
First Revised Sheet No. 23B	30
Fifth Revised Sheet No. 24	31
Third Revised Sheet No. 25	32
Second Revised Sheet No. 26	33
Second Revised Sheet No. 27	34
First Revised Sheet No. 28	35
Original Sheet No. 29	36
First Revised Sheet No. 30	37
Original Sheet No. 31	38
First Revised Sheet No. 32	39
Fourth Revised Sheet No. 33	40
Sub Third Revised Sheet No. 34	41
Second Revised Sheet No. 35	42
Original Sheet No. 36	43
Sheet Nos. 37-56	44
Eleventh Revised Sheet No. 57	45
Fifth Revised Sheet No. 58	46
Third Revised Sheet No. 58A	47
Ninth Revised Sheet No. 59	48
Fifth Revised Sheet No. 60	49
Fifth Revised Sheet No. 60A	50
Sixth Revised Sheet No. 61	51

Sixth Revised Sheet No. 62	52
First Revised Sheet No. 63	53
Second Revised Sheet No. 64	54
Second Revised Sheet No. 65	55
Original Sheet No. 65A	56
First Revised Sheet No. 66	57
First Revised Sheet No. 67	58
Original Sheet No. 68	59
First Revised Sheet No. 68A	60
First Revised Sheet No. 69	61
Second Revised Sheet No. 70	62
Original Sheet No. 71	63
Original Sheet No. 72	64
First Revised Sheet No. 73	65
Original Sheet No. 74	66
Original Sheet No. 75	67
Original Sheet No. 76	68
Original Sheet No. 77	69
Original Sheet No. 78	70
Fifth Revised Sheet No. 79	71
Third Revised Sheet No. 79A	72
Third Revised Sheet No. 79B	73
Second Revised Sheet No. 79C	74
Fifth Revised Sheet No. 80	75
Fourth Revised Sheet No. 81	76
First Revised Sheet No. 82	77
Third Revised Sheet No. 83	78
Second Revised Sheet No. 83A	79
First Revised Sheet No. 83B	80
Third Revised Sheet No. 84	81
Second Revised Sheet No. 84A	82
Third Revised Sheet No. 85	83
First Revised Sheet No. 85A	84
Sixth Revised Sheet No. 86	85
First Revised Sheet No. 86A	86
Third Revised Sheet No. 87	87
First Revised Sheet No. 87A	88
Fifth Revised Sheet No. 88	89
Second Revised Sheet No. 88A	90
Fifth Revised Sheet No. 89	91
Third Revised Sheet No. 90	92
Third Revised Sheet No. 91	93
First Revised Sheet No. 91A	94
First Revised Sheet No. 92	95
Original Sheet No. 92A	96
Third Revised Sheet No. 93	97

Third Revised Sheet No. 94	98
Original Sheet No. 95	99
Original Sheet No. 96	100
Original Sheet No. 97	101
Fourth Revised Sheet No. 98	102
Second Revised Sheet No. 99	103
Fifth Revised Sheet No. 100	104
Third Revised Sheet No. 101	105
Original Sheet No. 102	106
First Revised Sheet No. 103	107
Second Revised Sheet No. 104	108
Fourth Revised Sheet No. 105	109
Third Revised Sheet No. 105A	110
Seventh Revised Sheet No. 106	111
Original Sheet No. 106A	112
Third Revised Sheet No. 107	113
First Revised Sheet No. 107A	114
First Revised Sheet No. 108	115
Third Revised Sheet No. 109	116
Original Sheet No. 109A	117
First Revised Sheet No. 110	118
Original Sheet No. 110A	119
Second Revised Sheet No. 111	120
Original Sheet No. 111A	121
Fifth Revised Sheet No. 112	122
Third Revised Sheet No. 113	123
Fifth Revised Sheet No. 114	124
Second Revised Sheet No. 114A	125
Fourth Revised Sheet No. 115	126
First Revised Sheet No. 116	127
First Revised Sheet No. 117	128
First Revised Sheet No. 118	129
Third Revised Sheet No. 119	130
First Revised Sheet No. 120	131
Eighth Revised Sheet No. 121	132
Fourth Revised Sheet No. 121A	133
Fifth Revised Sheet No. 121B	134
Second Revised Sheet No. 121C	135
First Revised Sheet No. 122	136
Original Sheet No. 123	137
First Revised Sheet No. 124	138
First Revised Sheet No. 125	139
Second Revised Sheet No. 126	140
Third Revised Sheet No. 127	141
Third Revised Sheet No. 128	142
Second Revised Sheet No. 129	143

Original Sheet No. 130	144
Original Sheet No. 131	145
Original Sheet No. 132	146
First Revised Sheet No. 133	147
First Revised Sheet No. 134	148
First Revised Sheet No. 135	149
Eleventh Revised Sheet No. 136	150
Fifth Revised Sheet No. 137	151
Third Revised Sheet No. 138	152
First Revised Sheet No. 139	153
Second Revised Sheet No. 140	154
First Revised Sheet No. 141	155
First Revised Sheet No. 142	156
Original Sheet No. 143	157
Original Sheet No. 144	158
Original Sheet No. 145	159
Original Sheet No. 146	160
Original Sheet No. 147	161
Original Sheet No. 148	162
Original Sheet No. 149	163
Original Sheet No. 150	164
Original Sheet No. 151	165
Sheets Nos. 152-209	166
First Revised Sheet No. 210	167
First Revised Sheet No. 211	168
First Revised Sheet No. 212	169
Second Revised Sheet No. 213	170
Original Sheet No. 214	171
First Revised Sheet No. 215	172
Fourth Revised Sheet No. 216	173
Original Sheet No. 217	174
Second Revised Sheet No. 218	175
Third Revised Sheet No. 219	176
Third Revised Sheet No. 220	177
Original Sheet No. 220A	178
First Revised Sheet No. 220B	179
Third Revised Sheet No. 221	180
Original Sheet No. 222	181
Original Sheet No. 223	182
Second Revised Sheet No. 224	183
Second Revised Sheet No. 225	184
First Revised Sheet No. 225A	185
Second Revised Sheet No. 226	186
Fourth Revised Sheet No. 227	187
Original Sheet No. 228	188
Second Revised Sheet No. 229	189

Second Revised Sheet No. 230	190
First Revised Sheet No. 231	191
First Revised Sheet No. 232	192
Original Sheet No. 232A	193
First Revised Sheet No. 232B	194
First Revised Sheet No. 233	195
Original Sheet No. 234	196
Third Revised Sheet No. 235	197
Original Sheet No. 235A	198
Original Sheet No. 236	199
First Revised Sheet No. 237	200
Fourth Revised Sheet No. 238	201
Original Sheet No. 239	202
Second Revised Sheet No. 240	203
Third Revised Sheet No. 241	204
Third Revised Sheet No. 242	205
Original Sheet No. 243	206
First Revised Sheet No. 244	207
Sheet Nos. 245-274	208
First Revised Sheet No. 275	209
Original Sheet No. 276	210
Original Sheet No. 277	211
Fourth Revised Sheet No. 278	212
Second Revised Sheet No. 279	213
First Revised Sheet No. 280	214
Third Revised Sheet No. 281	215
Original Sheet No. 282	216
First Revised Sheet No. 283	217
Original Sheet No. 283A	218
First Revised Sheet No. 283B	219
First Revised Sheet No. 284	220
Original Sheet No. 285	221
Original Sheet No. 286	222
First Revised Sheet No. 287	223
Fourth Revised Sheet No. 288	224
Second Revised Sheet No. 289	225
First Revised Sheet No. 290	226
Third Revised Sheet No. 291	227
Third Revised Sheet No. 292	228
Third Revised Sheet No. 293	229
Third Revised Sheet No. 294	230
Fourth Revised Sheet No. 295	231
Second Revised Sheet No. 295A	232
Second Revised Sheet No. 296	233
Third Revised Sheet No. 296A	234
Sixth Revised Sheet No. 297	235

Second Revised Sheet No. 298	236
Sheet Nos. 299-301	237
First Revised Sheet No. 300	238
First Revised Sheet No. 301	239
Fifth Revised Sheet No. 302	240
First Revised Sheet No. 303	241
First Revised Sheet No. 304	242
First Revised Sheet No. 305	243
Third Revised Sheet No. 306	244
Second Revised Sheet No. 307	245
First Revised Sheet No. 308	246
Second Revised Sheet No. 309	247
Original Sheet No.310	248
Original Sheet No.311	249
Original Sheet No.312	250
First Revised Sheet No. 313	251
Original Sheet No.314	252
Original Sheet No.315	253
First Revised Sheet No. 316	254
Original Sheet No.317	255
Second Revised Sheet No. 318	256
Second Revised Sheet No. 319	257
Sheet Nos.320-409	258
Second Revised Sheet No. 410	259

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**Fifth Revised Sheet No. 0** Garden Banks Gas Pipeline, LLC: Original Volume No. 1  
Fifth Revised Sheet No. 0  
Superseding: Fourth Revised Sheet No. 0

F.E.R.C. GAS TARIFF

Original Volume No. 1

of

GARDEN BANKS GAS PIPELINE, LLC

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this Tariff  
should be addressed to:

Chris Kaitson  
Assistant Secretary  
Garden Banks Gas Pipeline, LLC  
1100 Louisiana, Suite 3300  
Houston, TX 77002  
(713) 821-2028  
Facsimile (713) 821-2229

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TABLE OF CONTENTS

	Sheet No.
Table of Contents	1
Preliminary Statement	4
System Map	5
Statement of Rates	6
Sheets Reserved for Future Use	7
Rate Schedule FT-1, Firm Transportation Service	10
Rate Schedule FT-2, Firm Transportation Service	18
Rate Schedule IT-1, Interruptible Transportation Service	30
Sheets Reserved for Future Use	37
General Terms and Conditions	57
Section 1    Definitions	58
Section 2    Quality	63
Section 3    Measurement	65
Section 4    Measuring Equipment	67
Section 5    Receipt and Delivery Points	69
Section 6    Pressure	72
Section 7    Control/Force Majeure	73
Section 8    Warranty of Title	76
Section 9    Uniform Rates of Flow	77
Section 10   Installation of Flow Control Equipment	78
Section 11   Nominations	79
Section 12   Determination of Receipts and Deliveries	84
Section 13   Resolution of Imbalances	88

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Table of Contents

Section 14	Billing and Payment	91
Section 15	Operational Flow Orders	93
Section 16	Penalty Waivers	97
Section 17	Notices	98
Section 18	Pregranted Abandonment of Firm Service Agreements	99
Section 19	Shippers Release of Firm Capacity	103
Section 20	Requests for Additional Facilities/Expanded Capacity	122
Section 21	Transporter's Facility Maintenance	124
Section 22	Energy Affiliates	125
Section 23	Complaints	126
Section 24	Internet Web Site	127
Section 25	Annual Charge Adjustment Clause	129
Section 26	Rate/Tariff Changes	130
Section 27	Conflicts	131
Section 28	NGL Bank	132
Section 29	Retrograde Condensate	133
Section 30	Discounting Policy	134
Section 31	Periodic Reports	135
Section 32	NAESB Standards	136
Section 33	Non-Conforming Agreements	138

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**Fifth Revised Sheet No. 3** Fifth Revised Sheet No. 3  
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Table of Contents

Section 34	Creditworthiness	140
Section 35	Successors and Assigns	143
Section 36	Miscellaneous	144
Section 37	Negotiated Rates	145
Section 38	Off-System Capacity	149
Section 39	Pooling Point	150
Sheets Reserved for Future Use	152-209	
Form of FT-1 Firm Transportation Service Agreement		210
Form of FT-2 Firm Transportation Service Agreement		221
Form of IT-1 Interruptible Transportation Service Agreement		233
Sheets Reserved for Future Use	243	
Form of Service Agreement for Temporary Release of Firm Transportation Capacity	275	
Form of Reserve Commitment Agreement		284
Form of Interactive Internet Website Agreement		291
Form of Service Request Form		297
Customer Nomination Form		302
Form of NGL Bank Agreement		304
Sheets Reserved for Future Use		309
Index of Firm Shippers		410

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**Original Sheet No. 4** Original Sheet No. 4 : Effective

PRELIMINARY STATEMENT

Garden Banks Gas Pipeline, LLC (GBGP) is a natural gas company subject to the jurisdiction of the Federal Energy Regulatory Commission for the limited purpose of constructing, operating, and transporting natural gas through a 30-inch, 50 mile natural gas pipeline and appurtenant facilities extending from the "A" platform in Garden Banks Block 128, offshore Louisiana, to the "P" pipeline platform in South Marsh Island Block 76, offshore Louisiana.

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**Original Sheet No. 5** Original Sheet No. 5 : Effective

PRELIMINARY STATEMENT  
SYSTEM MAP

(not filed electronically)

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**Tenth Revised Sheet No. 6** Tenth Revised Sheet No. 6  
Superseding: Ninth Revised Sheet No. 6

STATEMENT OF RATES

APPLICABLE TO RATE SCHEDULES CONTAINED IN  
FERC GAS TARIFF ORIGINAL VOLUME NO. 1  
(All Rates in \$/Dth)

Rate Schedule	Maximum Rate	Minimum Rate		
FT-1 & FT-2 Reservation		\$0.1168	\$0.0000	
Commodity	\$0.0000	\$0.0000		
FT-2 Authorized Overruns		\$0.1168	\$0.0000	
IT-1 Commodity	\$0.1168	\$0.0000		

Pursuant to the General Terms and Conditions, the above maximum and minimum rates shall be increased to include any applicable surcharges, including Annual Charge Adjustment (ACA). The current applicable ACA charge is \$0.0019.

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**Sheet Nos. 7-9** Sheet Nos. 7-9 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 7-9 reserved for future use

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**First Revised Sheet No. 10** First Revised Sheet No. 10  
Superseding: Original Sheet No. 10

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

1.1 This Rate Schedule FT-1 is available to any person (hereinafter called Shipper) who requests transportation of natural gas on a firm basis through Transporter's Facility pursuant to Part 284 of the FERC's Regulations and who has executed a FT-1 Transportation Service Agreement with Garden Banks Gas Pipeline, LLC (hereafter called Transporter).

1.2 Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a request from the Shipper pursuant to Section 6 of this Rate Schedule. All requests for service under Rate Schedule FT-1 received on or before 3:00 p.m. CT on November 25, 1996, shall be deemed to have the same date and time, and if the sum of all such requests and all requests for service under Rate Schedule FT-2 received on or before 3:00 p.m. CT on November 25, 1996, exceed 1000 Mmcft per day, then the available capacity shall be allocated to Shippers requesting service under Rate Schedules FT-1 and FT-2 pro rata, based on requested Maximum Daily Quantity; provided that the Maximum Daily Quantity under a Precedent Agreement executed on or before July 26, 1996, shall not be subject to allocation under this Section 1.2.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to the transportation of natural gas, on a firm basis, up to the Maximum Daily Quantity set forth in the FT-1 Transportation Service Agreement.

2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-1 Transportation Service Agreement, the transportation of that natural gas through Transporter's Facility, and the delivery of equivalent quantities to Shipper

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**First Revised Sheet No. 11** First Revised Sheet No. 11  
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RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in Exhibit "A" to the executed FT-1 Transportation Service Agreement, all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed an FT-1 Transportation Service Agreement.

2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. A New Facilities Charge shall not apply to any of Transporter's Facility constructed pursuant to the certificate issued in Docket No. CP96-307-000 or Docket No. CP96-307-002.

2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.

2.5 Capacity available for firm transportation shall be allocated among Shippers receiving service under Rate Schedules FT-1 and FT-2 in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Points: The Primary Receipt Point(s) on Transporter's Facility shall be specified on Exhibit "A" to the FT-1 Transportation Service Agreement.

3.2 Delivery Points: The Primary Delivery Point(s) on Transporter's Facility shall be specified on Exhibit "A" to the FT-1 Transportation Service Agreement. Transporter shall not be obligated to accept gas hereunder for transportation to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable, to accept the gas for delivery.

3.3 Pressures: Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's Facility at the Receipt Point(s). Transporter shall operate Transporter's Facility at a maximum pressure at the Receipt Points of 1750 psig. In no event shall Transporter be required to install compression to effect deliveries hereunder.

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**First Revised Sheet No. 12** First Revised Sheet No. 12  
Superseding: Original Sheet No. 12

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

3.4 Uniform Quantities: As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

4. RATES AND CHARGES

4.1 Applicable Rates: The applicable rates for service under Rate Schedule FT-1 are the maximum Reservation and Commodity Rates for Rate Schedule FT-1 shown on the effective Sheet No. 6 of Transporter's FERC Gas Tariff; provided, however, upon notice to Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-1, to any level not less than the minimum nor more than the maximum rates established for this Rate Schedule FT-1 and set forth on the effective Sheet No. 6 of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service at the Receipt and/or Delivery Point(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the maximum Commodity and/or Reservation Rates for service under this Rate Schedule.

4.2 New Facilities Charge: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup the cost of new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-1 Transportation Service Agreement.

4.3 Incidental Charges: In addition to the charges pursuant to Section 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-1 Transportation Service Agreement.

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**First Revised Sheet No. 13** First Revised Sheet No. 13  
Superseding: Original Sheet No. 13

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

4.4 Losses. Shipper shall furnish its pro rata share of the quantity of gas required for losses associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

(a) Reservation Charge: A reservation charge equal to the product of the applicable Reservation Rate multiplied by the Maximum Daily Quantity specified in the FT-1 Transportation Service Agreement, multiplied by the Shipper Specific Heating Value and multiplied by the number of days in the month; and

(b) Commodity Charge: A commodity charge equal to the applicable Commodity Rate multiplied by the quantity of gas allocated to the Delivery Point(s) under the FT-1 Transportation Service Agreement in the month; and

(c) Other Charges: Any applicable surcharges set forth on the effective Sheet No. 6, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

6. REQUESTS FOR FT-1 TRANSPORTATION SERVICE

6.1 Any person desiring transportation service under Rate Schedule FT-1 must provide the information required by this Section and on Transporter's Service Request Form included in Transporter's FERC Gas Tariff in order to qualify for transportation service. No request for transportation service will be processed until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 Business Days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted except to the extent

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**Fifth Revised Sheet No. 14** Fifth Revised Sheet No. 14  
Superseding: Fourth Revised Sheet No. 14

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

capacity to render the service is available; provided, however, if construction of facilities (whether pipeline or production) is required, the request may be made at a date not earlier than three (3) years prior to the effective date of the Transportation Service Agreement.

All completed Service Request Forms are to be sent to:

Garden Banks Gas Pipeline, LLC

1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

6.2 A request for transportation service must include the following:

(a) Gas Quantities: The maximum daily quantity applicable to each Receipt Point(s) and Delivery Point(s) stated in Mcf and Dth and the estimated total quantities to be received and transported over the delivery period.

(b) Receipt/Delivery Point(s): The designated Receipt Point(s) and Delivery Point(s) for the requested transportation together with the name of the entity delivering gas to Transporter and the name of the entity to receive the gas from Transporter.

(c) Term: The proposed commencement and termination dates of service.

(d) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have title to the gas to be delivered to Transporter.

(e) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

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**Sub Second Revised Sheet No. 15** Sub Second Revised Sheet No. 15 : Effective  
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RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

### 6.3 Credit Evaluation

Any person seeking new service from Transporter under Rate Schedule FT-1 must comply with the Creditworthiness criteria in Section 34 of the General Terms and Conditions.

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**Third Revised Sheet No. 16** Third Revised Sheet No. 16  
Superseding: Second Revised Sheet No. 16

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

#### 6.4 Prepayment for Service

(a) Any person requesting firm service under Rate Schedule FT-1 must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial three month period. Such charge(s) shall be calculated based on a deemed Heating Value of 1000 Btu per cubic foot of gas. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).

(b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. An FT-1 Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-1 Transportation Service Agreement, the entire amount of the prepayment shall be credited to Shipper's billing statements during the first months of service until the total amount of the prepayment is credited to Shipper's billing statements. In the event that the FT-1 Transportation Service Agreement is not executed and returned to Transporter within 30 days after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment and interest (if applicable).

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**First Revised Sheet No. 17** First Revised Sheet No. 17  
Superseding: Original Sheet No. 17

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

(c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

#### 6.5 Modification of Service

Any modification of existing transportation service under Rate Schedule FT-1 shall be requested by Shipper's submission of a new Service Request Form included in Transporter's FERC Gas Tariff with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the Service Request Form has been fully processed and accepted by Transporter.

#### 7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284. The General Terms and Conditions specified in Volume 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

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**First Revised Sheet No. 18** First Revised Sheet No. 18  
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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

1.1 This Rate Schedule FT-2 is available to any person (hereinafter called Shipper) (a) who requests transportation of natural gas on a firm basis through Transporter's Facility under this Rate Schedule, (b) who has executed an FT-2 Transportation Service Agreement with Garden Banks Gas Pipeline, LLC (hereinafter called "Transporter") for transportation service under this Rate Schedule, (c) who has executed a Reserve Commitment Agreement, and (d) who satisfies the requirements of this Rate Schedule.

1.2 As a requirement to receive transportation under this Rate Schedule FT-2, Shipper must agree to commit for delivery into and transportation through Transporter's Facility all natural gas produced by or for the account of Shipper, pursuant to the terms of the Reserve Commitment Agreement, from specific Outer Continental Shelf (OCS) Blocks (referred to herein as "Committed Block(s)").

1.3 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-2 other than gas produced from Shipper's working interest in the Committed Blocks.

1.4 Transporter shall accept written requests for firm transportation service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule. All Precedent Agreements executed on or before July 26, 1996, shall be deemed to have the same date and time, and capacity requested thereunder shall not be subject to allocation under this Section 1.4. All requests for service under Rate Schedule FT-2 received after July 26, 1996 but prior to 3:00 p.m. CT on November 25, 1996, shall be deemed to have the same date and time, and if the sum of all such requests and all Maximum Daily Quantities under Rate Schedule FT-2 pursuant to Precedent Agreements executed on or before July 26, 1996, and all

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**Third Revised Sheet No. 19** Third Revised Sheet No. 19  
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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

requests for service under Rate Schedule FT-1 received prior to 3:00 p.m. CT on November 25, 1996, exceed 1000 Mmcf per day, then the available capacity shall be allocated to Shippers requesting service under Rate Schedules FT-1 and FT-2 pro rata, based on requested Maximum Daily Quantity; provided that the Maximum Daily Quantity under a Precedent Agreement executed on or before July 26, 1996, shall not be subject to allocation under this Section 1.4.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to the transportation of natural gas, on a firm basis, up to the Maximum Daily Quantity set forth in the FT-2 Transportation Service Agreement. The Maximum Daily Quantity set forth in the FT-2 Transportation Service Agreement for any Delivery Period(s) specified therein may be increased, subject to available capacity and subject to compliance with the requirements of Section 6 of this Rate Schedule. The Maximum Daily Quantity set forth in the FT-2 Transportation Service Agreement for any Delivery Period(s) specified therein, may be permanently reduced at any time and from time to time by any amount (including to zero), on three (3) months prior written notice to Transporter after compliance with Section 6 of this Rate Schedule. Such reduction shall be effective as of the first day of the first Delivery Period following the expiration of the three (3) months' prior written notice.

2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper from the Committed Block(s) for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-2 Transportation Service Agreement, the transportation of that natural gas through Transporter's Facility, and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in Exhibit "A" to the executed FT-2 Transportation Service Agreement, all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed an FT-2 Transportation Service Agreement and a Reserve Commitment Agreement.

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*FERC Docket: RP10-594-000*

**First Revised Sheet No. 20** First Revised Sheet No. 20  
Superseding: Original Sheet No. 20

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. A New Facilities Charge shall not apply to any of Transporter's Facility constructed pursuant to the certificate issued in Docket No. CP96-307-000 or Docket No. CP96-307-002.

2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.

2.5 Capacity available for firm transportation shall be allocated among Shippers receiving service under Rate Schedules FT-1 and FT-2 in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Points: The Primary Receipt Point(s) on Transporter's Facility shall be specified on Exhibit "A" to the FT-2 Transportation Service Agreement.

3.2 Delivery Points: The Primary Delivery Point(s) on Transporter's Facility shall be specified on Exhibit "A" to the FT-2 Transportation Service Agreement. Transporter shall not be obligated to accept gas hereunder for transportation to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable to accept, the gas for delivery.

3.3 Pressures: Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's Facility at the Receipt Point(s). Transporter shall operate Transporter's Facility at a maximum pressure at the Receipt Points of 1750 psig. In no event shall Transporter be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities: As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

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**First Revised Sheet No. 21** First Revised Sheet No. 21  
Superseding: Original Sheet No. 21

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

4. RATES AND CHARGES

4.1 **Applicable Rates:** The applicable rates for service under Rate Schedule FT-2 are the maximum FT-2 rates shown on the effective Sheet No. 6 of Transporter's FERC Gas Tariff, provided, however, upon notice to Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-2, to any level not less than the minimum nor more than the maximum rates established for this Rate Schedule FT-2 and set forth on the effective Sheet No. 6 of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service at the Receipt and/or Delivery Point(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the maximum Commodity, Authorized Overrun and/or Reservation Rates for service under this Rate Schedule.

4.2 **New Facilities Charge:** In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup the cost of facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. A New Facilities Charge shall not apply to any of Transporter's Facility constructed pursuant to the certificate issued in Docket No. CP96-307-000 or Docket No. CP96-307-002.

4.3 **Incidental Charges:** In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-2 Transportation Service Agreement.

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FERC Docket: CP96-678-001

**Original Sheet No. 22** Original Sheet No. 22 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

4.4 Losses. Shipper shall furnish its pro rata share of the quantity of gas required for losses associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL AND REVENUE BANK

5.1 The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

a. Reservation Charge:

(i) If the summation of the quantities of gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) in the month (including firm service and Authorized Overruns) equals or exceeds 80% of the Maximum Daily Quantity specified in the FT-2 Transportation Service Agreement for the same month multiplied by the Shipper Specific Heating Value for the same month and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate multiplied by the quantity of firm gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) during the month; or

(ii) If the summation of the quantities of gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) in the month (including firm service and Authorized Overruns) is less than 80% of the Maximum Daily Quantity specified in the FT-2 Transportation Service Agreement for the same month multiplied by the Shipper Specific Heating Value for the same month and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate multiplied by 80% of the Maximum Daily Quantity specified in the FT-2 Transportation Service Agreement multiplied by the Shipper Specific Heating Value for the month and multiplied by the number of days in the month; and

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**Second Revised Sheet No. 23** Second Revised Sheet No. 23 : Effective

Superseding: First Revised Sheet No. 23

RATE SCHEDULE FT-2

FIRM TRANSPORTATION SERVICE

- b. Commodity Charge: A commodity charge equal to the applicable Commodity Rate multiplied by the quantity of gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) in the month; and
  - c. Authorized Overrun Charge: An authorized overrun charge equal to the applicable Authorized Overrun Rate multiplied by the quantity of Authorized Overrun gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) in the month; and
  - d. Other Charges: Any applicable surcharges set forth on the effective Sheet No. 6, any applicable New Facilities Charges pursuant to Section 4.2, any Incidental Charges pursuant to Section 4.3.
- 5.2 A Revenue Bank Account ("RBA") shall be established and maintained by Transporter for each FT-2 Transportation Service Agreement ("FT-2 TSA").
- a. Credit Period:
    - (i) For purposes of those Shippers that executed a FT-2 TSA before June 1, 2007 and that did not elect to amend the term of such FT-2 TSA to the term for the economic life of the Committed Blocks as set out in the associated Reserve Commitment Agreement, pursuant to Section 6.2(c) below, the term Credit Period is defined as each of the consecutive twelve-year periods during the term of a FT-2 TSA, the first of which commences with the beginning of the term of a FT-2 TSA and the last of which terminates concurrent with the termination of the associated FT-2 TSA. A Credit Period may be for a term of less than twelve consecutive years under the following conditions: (i) the term of the associated FT-2 TSA is less than twelve years, or (ii) the term of the associated FT-2 TSA remaining after the expiration of the second-to-last Credit Period is less than twelve years.
    - (ii) For purposes of those Shippers that either (a) executed a FT-2 TSA on or after June 1, 2007, or (b) elected to amend the term of a specific FT-2 TSA executed before June 1, 2007 to the term for the economic life of the Committed Blocks as set out in the associated Reserve Commitment Agreement, pursuant

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**First Revised Sheet No. 23A** First Revised Sheet No. 23A : Effective  
Superseding: Original Sheet No.23A

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

5.2 a. Revenue Bank Account (cont'd):

to Section 6.2(c) below, the term Credit Period is defined as the term of the Shipper's FT-2 TSA, which term is for the economic life of the Committed Blocks as set out in the associated Reserve Commitment Agreement.

b. Increasing a Shipper's RBA:

- (i) For any month during a Credit Period, a Shipper's RBA under a specific FT-2 TSA is increased only when the Reservation Charge on Shipper's Monthly Bill under the specific FT-2 TSA for the same month is computed pursuant to Section 5.1 a. (ii) of this Rate Schedule.
- (ii) The amount of the increase is equal to the difference between (1) the Reservation Charge on Shipper's Monthly Bill for the same month and (2) a hypothetical Reservation Charge for the same month calculated pursuant to Section 5.1 a. (i) of this Rate Schedule.

c. Decreasing a Shipper's RBA:

- (i) For any month during a Credit Period, a Shipper's RBA under a specific FT-2 TSA is decreased only when: (1) the Reservation Charge on Shipper's Monthly Bill under the specific FT-2 TSA for the same month is computed pursuant to Section 5.1 a. (i) of this Rate Schedule; or, (2) when there is an Authorized Overrun Charge on Shipper's Monthly Bill under the specific FT-2 TSA for the same month. Note that both condition (1) and (2) of this paragraph may apply to Shipper's Monthly Bill under the specific FT-2 TSA for the same month.
- (ii) The amount of the decrease under condition (1) of Section 5.2 c. (i) is calculated as the difference between (a) The Reservation Charge under the specific FT-2 TSA for the same month and (b) a hypothetical Reservation Charge for the same month calculated pursuant to Section 5.1 a. (ii) of this Rate Schedule. The amount of the decrease under condition (2) of Section 5.2 c. (i) is equal to the Authorized

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**First Revised Sheet No. 23B** First Revised Sheet No. 23B : Effective  
Superseding: Original Sheet No.23B

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

5.2 c. Revenue Bank Account (cont'd):

Overrun Charge on Shipper's Monthly Bill under the specific FT-2 TSA for the same month. When both condition (1) and (2) apply to Shipper's Monthly Bill under the specific FT-2 TSA for the same month, the amount of the decrease applied to the Shipper's RBA under the specific FT-2 TSA is the sum of the two amounts calculated above.

(iii) The amount of the decrease calculated pursuant to Section 5.2 c. (ii) above in all cases is limited to the existing balance in Shipper's RBA under the specific FT-2 TSA. The balance in a Shipper's RBA can never be negative.

(iv) The amount of the decrease from a Shipper's RBA shall only be applied as a credit on Shipper's Monthly Bill for the same month.

d. Remaining Balance: Any balance remaining in a Shipper's RBA under a specific FT-2 TSA at the end of any Credit Period shall be retained by Transporter and shall not be available for further use under Section 5.2 c. of this Rate Schedule. Such balance specifically shall not be carried forward into any successive Credit Period under the Shipper's specific FT-2 TSA, if applicable, or be applied to any prior payment made by Shipper.

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**Fifth Revised Sheet No. 24** Fifth Revised Sheet No. 24  
Superseding: Fourth Revised Sheet No. 24

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

6. REQUESTS FOR FT-2 TRANSPORTATION SERVICE

6.1 Any person desiring transportation service under Rate Schedule FT-2 (other than service requested under Precedent Agreements executed prior to July 30, 1996) must provide the information required by this Section and on Transporter's Service Request Form included in Transporter's FERC Gas Tariff in order to qualify for transportation service. Except as provided above, no request for transportation service will be processed until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 Business Days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted except to the extent capacity to render the service is available; provided, however, if construction of facilities (whether pipeline or production) is required, the request may be made at a date not earlier than three (3) years prior to the effective date of the Transportation Service Agreement.

All completed Service Request Forms are to be sent to:

Garden Banks Gas Pipeline, LLC  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

6.2 A request for transportation service must include the following:

(a) Gas Quantities: The maximum daily quantity (MDQ) applicable to each Receipt Point(s) and Delivery Point(s) stated in Mcf's and Dth and the estimated total quantities to be received and transported over the Delivery Period supported by an estimated life of lease production forecast for the Committed Block(s) included

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Superseding: Sub Second Revised Sheet No. 25

RATE SCHEDULE FT-2

FIRM TRANSPORTATION SERVICE

in the Service Request Form. Shipper may request a separately stated MDQ under its FT-2 Transportation Service Agreement for specified Delivery Periods of not less than 3 consecutive months; provided, however, that such separately stated MDQs are supported by an estimated life of lease production forecast for the Committed Block(s) included in the Service Request Form; and provided further, that the separately stated MDQ shall not be less than the lesser of (i) 5,000 Mcf per day or (ii) Shipper's share of production from the Committed Block(s) during any specified Delivery Period.

- (b) Receipt/Delivery Point(s): The designated Receipt Point(s) and Delivery Point(s) for the requested transportation together with the name of the entity delivering gas to Transporter and the name of the entity to receive the gas from Transporter.
- (c) Term: The proposed commencement and termination dates of service. For all requests for service under this Section 6.2 received on or after June 1, 2007, the term of service shall be for the economic life of the Committed Blocks as set out in the associated Reserve Commitment Agreement. For those FT-2 TSAs in effect as of June 1, 2007, any Shipper under such FT-2 TSAs shall have the one-time right, exercisable during the period June 1, 2007 through September 1, 2007, to amend the term of its FT-2 TSA to the term for the economic life of the Committed Blocks as set out in the associated Reserve Commitment Agreement by submitting a request to Transporter.
- (d) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have title to the gas to be delivered to Transporter.
- (e) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.
- (f) Committed Block(s): Identification of the Committed Block(s) and Shipper's interest therein.

### 6.3 Credit Evaluation

- (a) Any person seeking new service from Transporter under Rate Schedule FT-2 must comply with the Creditworthiness criteria in Section 34 of the General Terms and Conditions.

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**Second Revised Sheet No. 26** Second Revised Sheet No. 26 : Effective  
Superseding: Original Sheet No. 26

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

#### 6.4 Prepayment for Service

- (a) Any person requesting firm service under Rate Schedule FT-2 must along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial three-month period. Such charge(s) shall be calculated based on a deemed Heating Value of 1000 Btu per cubic foot of gas. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by the Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
  
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. An FT-2 Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-2 Transportation Service Agreement, the entire amount of the prepayment shall be credited to Shipper's billing statements during the first months which the Transportation Service Agreement is in effect until the total amount of the prepayment is credited to Shipper's billing statements. In the event the FT-2 Transportation Service Agreement is not executed and returned to Transporter within 30 days after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment.

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*FERC Docket: RP06-94-000*

**Second Revised Sheet No. 27** Second Revised Sheet No. 27 : Effective  
Superseding: Original Sheet No. 27

This Sheet 27 reserved for future use.

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**First Revised Sheet No. 28** First Revised Sheet No. 28  
Superseding: Original Sheet No. 28

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

(c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

6.5 Modification of Service

Any modification of Receipt and/or Delivery Point(s) or MDQ increases or decreases under an existing FT-2 Transportation Service Agreement shall be requested by Shipper's submission of a new Service Request Form included in Transporter's FERC Gas Tariff with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the Service Request Form has been fully processed and accepted by Transporter. Requests for MDQ increases shall be subject to available capacity.

7. ROYALTY INTEREST TAKEN IN-KIND

If Shipper's royalty interest holder in any Committed Block exercises an option contained in the lease agreement with Shipper to take the royalty interest in-kind (RIK) and that RIK is not acquired by Shipper, then for the month that the RIK option is being exercised, the quantity of gas represented by RIK shall be added to the summation of the quantity of gas allocated to Shipper's FT-2 Transportation Service Agreement at the Delivery Point(s) when determining which of the criteria in Section 5.1(a)(i) or Section 5.1(a)(ii) are met for that month. This provision shall become effective on the first day of the month following Transporter's receipt of a written notice from Shipper which includes the specific OCS Blocks affected. By the fifth (5th) Business Day of the month following each month of gas transportation, Shipper shall provide Transporter written notice of the quantity of RIK for the preceding month from the specified OCS Blocks.

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**Original Sheet No. 29** Original Sheet No. 29 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

8. AUTHORIZED OVERRUN SERVICE

Shipper shall, upon receiving the advance approval of Transporter, have the right on any day to schedule a quantity of gas for delivery under its FT-2 Transportation Service Agreement in excess of the applicable Maximum Daily Quantity ("Authorized Overruns"); provided that there is no adverse effect on Transporter's ability to transport quantities scheduled for delivery within the applicable Maximum Daily Quantities under its other FT-1 and FT-2 Transportation Service Agreements. Capacity available for Authorized Overruns shall be allocated in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

9. SUCCESSORS AND ASSIGNS

Shipper's FT-2 Transportation Service Agreement may be assigned to assignees of Shipper's interest in the Committed Block(s) who satisfy the requirements of Section 6.3 of this Rate Schedule. No assignment shall relieve Shipper of its obligations under the FT-2 Transportation Service Agreement.

10. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

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**First Revised Sheet No. 30** First Revised Sheet No. 30  
Superseding: Original Sheet No. 30

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

1.1 This Rate Schedule IT-1 is available to any person (hereinafter called Shipper) who requests transportation of natural gas on an interruptible basis through Transporter's Facility pursuant to Part 284 of the FERC's Regulations and who has executed an IT-1 Transportation Service Agreement with Garden Banks Gas Pipeline, LLC (hereinafter called Transporter) for transportation service under this Rate Schedule.

1.2 Transporter shall accept written transportation requests for interruptible service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a request from the Shipper pursuant to Section 6 of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to the transportation of natural gas, on an interruptible basis, when and to the extent that Transporter determines that capacity is available on Transporter's Facility, subject to the availability of capacity sufficient to provide service up to the Maximum Daily Quantity set forth in the associated IT-1 Transportation Service Agreement.

2.2 Transportation service hereunder shall consist of the acceptance by Transporter of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed IT-1 Transportation Service Agreement, and the delivery of equivalent quantities to Shipper or for Shipper's account at the Delivery Point(s) specified in Exhibit "A" to the executed IT-1 Transportation Service Agreement, all on an interruptible basis. Transporter shall not commence service until Transporter and Shipper have executed an IT-1 Transportation Service Agreement.

2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule.

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**Original Sheet No. 31** Original Sheet No. 31 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

- 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
- 2.5 Capacity available for transportation under Rate Schedule IT-1 shall be allocated among Shippers receiving service under Rate Schedule IT-1 in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
3. DELIVERY AND RECEIPT POINTS; PRESSURE; UNIFORM QUANTITIES
  - 3.1 Receipt Points: All receipt points on Transporter's Facility shall be available as Receipt Points for gas transported under this Rate Schedule.
  - 3.2 Delivery Points: All Delivery Points on Transporter's Facility shall be available as Delivery Points for gas transported by Transporter under this Rate Schedule.
  - 3.3 Pressures: Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's Facility at the Receipt Point(s). Transporter shall operate Transporter's Facility at a maximum pressure at the Receipt Points of 1750 psig. In no event shall Transporter be required to install compression to effect deliveries hereunder.
  - 3.4 Uniform Quantities: As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.
4. RATES AND CHARGES
  - 4.1 Applicable Rates: The rates for service under Rate Schedule IT-1 are the maximum IT-1 rates shown on effective Sheet No. 6 of Transporter's FERC Gas Tariff; provided, however, Transporter, upon notice to Shipper, has the right at any time and from time to time to adjust the rate applicable to any transportation service under Rate Schedule IT-1 to any level not less than the minimum nor more than the maximum rate established for this Rate Schedule IT-1 and set forth on

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**First Revised Sheet No. 32** First Revised Sheet No. 32  
Superseding: Original Sheet No. 32

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

effective Sheet No. 6 of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rate (a) shall apply solely to service at the Receipt and/or Delivery Points agreed upon by Transporter and (b) shall be applicable solely for the quantity and period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the maximum commodity rate for service under this Rate Schedule.

4.2 New Facilities Charge: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup the cost of new facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule IT-1. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the IT-1 Transportation Service Agreement.

4.3 Incidental Charges: In addition to the charges pursuant to Section 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse Transporter for any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder. Transporter shall not use the amounts so collected as revenue or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the IT-1 Transportation Service Agreement.

4.4 Losses: Shipper shall furnish its pro rata share of the quantity of gas required for losses associated with rendering transportation service pursuant to this Rate Schedule.

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**Fourth Revised Sheet No. 33** Fourth Revised Sheet No. 33  
Superseding: Third Revised Sheet No. 33

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

5. MONTHLY BILL

The Monthly Bill for deliveries under this Rate Schedule shall be equal to the applicable Commodity Rate multiplied by the quantity of natural gas allocated to the IT-1 Transportation Service Agreement at the Delivery Point(s) in the month, and any applicable New Facilities Charges pursuant to Section 4.2, any Incidental Charges pursuant to Section 4.3, and any applicable surcharges as shown on the effective Sheet No. 6 of Transporter's FERC Gas Tariff.

6. REQUESTS FOR IT-1 TRANSPORTATION SERVICE

6.1 Any person desiring transportation service under Rate Schedule IT-1 must provide the information required by this Section and on Transporter's Service Request Form included in Transporter's FERC Gas Tariff in order to qualify for transportation service. No request for transportation service will be processed until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 Business Days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service; provided, however, if construction of facilities (whether pipeline or production) is required, the request may be made at a date not earlier than three (3) years prior to the effective date of the Transportation Service Agreement.

All completed Service Request Forms are to be sent to:

Garden Banks Gas Pipeline, LLC  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

6.2 A request for transportation service must include the following:

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**Sub Third Revised Sheet No. 34** Sub Third Revised Sheet No. 34 : Effective  
Superseding: First Revised Sheet No. 34

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

- (a) Gas Quantities: The maximum daily quantity applicable to each Receipt Point(s) and Delivery Point(s) stated in Mcf and Dth and the estimated total quantities to be received and transported over the delivery period.
- (b) Receipt/Delivery Point: The designated Receipt Point(s) and Delivery Point(s) for the requested transportation together with the name of the entity delivering gas to Transporter and the name of the entity to receive the gas from Transporter.
- (c) Term: The proposed commencement and termination dates of service.
- (d) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have title to the gas to be delivered to Transporter.
- (e) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

6.3 Credit Evaluation

Any person seeking service from Transporter under Rate Schedule IT-1 must comply with the Creditworthiness criteria in Section 34 of the General Terms and Conditions.

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RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

6.4 Modification of Service

Any modification of existing transportation service under Rate Schedule IT-1 shall be requested by Shipper's submission of a new Service Request Form included in Transporter's FERC Gas Tariff with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the Service Request Form has been fully processed and accepted by Transporter.

7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

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FERC Docket: CP96-678-001

**Original Sheet No. 36** Original Sheet No. 36 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

6.4 Modification of Service

Any modification of existing transportation service under Rate Schedule IT-1 shall be requested by Shipper's submission of a new Service Request Form included in Transporter's FERC Gas Tariff with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the Service Request Form has been fully processed and accepted by Transporter.

7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

*Effective Date: 04/16/1997    Status: Effective*  
*FERC Docket: CP96-678-001*

**Sheet Nos. 37-56** Sheet Nos. 37-56 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 37-56 reserved for future use

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Eleventh Revised Sheet No. 57** Eleventh Revised Sheet No. 57  
Superseding: Tenth Revised Sheet No. 57

GENERAL TERMS AND CONDITIONS

Index

Section	Title	Sheet No.
1	Definitions	58
2	Quality	63
3	Measurement	65
4	Measuring Equipment	67
5	Receipt and Delivery Points	69
6	Pressure	72
7	Control/Force Majeure	73
8	Warranty of Title	76
9	Uniform Rates of Flow	77
10	Installation of Flow Control Equipment	78
11	Nominations	79
12	Determination of Receipts and Deliveries	84
13	Resolution of Imbalances	88
14	Billing and Payment	91
15	Operational Flow Orders	93
16	Penalty Waivers	97
17	Notices	98
18	Pregranted Abandonment of Firm Service Agreements	99
19	Shippers Release of Firm Capacity	103
20	Requests for Additional Facilities/Expanded Capacity	122
21	Transporter's Facility Maintenance	124
22	Energy Affiliates	125
23	Complaints	126
24	Internet Web Site	127
25	Annual Charge Adjustment Clause	129
26	Rate/Tariff Changes	130
27	Conflicts	131
28	NGL Bank	132
29	Retrograde Condensate	133
30	Discounting Policy	134
31	Periodic Reports	135
32	NAESB Standards	136
33	Non-Conforming Agreements	138
34	Creditworthiness	140
35	Successors and Assigns	143
36	Miscellaneous	144
37	Negotiated Rates	145
38	Off-System Capacity	149
39	Pooling Point	150

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FERC Docket: RP10-594-000

**Fifth Revised Sheet No. 58** Fifth Revised Sheet No. 58  
Superseding: Fourth Revised Sheet No. 58

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

The following terms, when used in this Tariff, these General Terms and Conditions, or in a Transportation Service Agreement executed for service under a Rate Schedule contained in this Tariff, shall have the following meanings:

(a) The term "Authorized Overrun" shall mean the quantity of gas scheduled on any day, with the advance approval of Transporter, for delivery under Shipper's FT-2 Transportation Service Agreement in excess of the applicable Maximum Daily Quantity under Shipper's FT-2 Transportation Service Agreement.

(b) The term "Bid Period" shall mean the length of time commencing with the posting of an Offer, pursuant to Section 19.9, and terminating at 2:00 p.m. CCT the day before nominations are due.

(c) The term "bumping" shall mean that a shipper with a higher priority transportation service level will displace previously scheduled volumes of a lower priority transportation service level.

(d) The term "British thermal unit (Btu)" shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58-1/2 to 59-1/2 degrees Fahrenheit at a constant pressure of 14.73 psia. The standard Btu is the International Btu, which is also called the Btu(IT).

(e) The term "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

(f) The term "Central Clock Time" and "CCT" shall mean central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.

(g) The term "Daily Allocation" is used to describe the process where the Allocating Party performs the allocation process following each gas day.

(h) The term "day" shall mean a period of twenty four consecutive hours, beginning and ending at 9:00 a.m. CCT.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-453-000

**Third Revised Sheet No. 58A** Third Revised Sheet No. 58A : Effective

Superseding: Second Revised Sheet No. 58A

GENERAL TERMS AND CONDITIONS

- (i) The term "Dekatherm (Dth)" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "Dekatherm" of Gas shall mean the quantity of gas which contains one dekatherm of heat energy.
- (j) The term "Delivery Period(s)" shall have the meaning ascribed thereto in Section 1.4 of the FT-2 Transportation Service Agreement contained in this Tariff.
- (k) The term "Delivery Point" shall mean the point of delivery for quantities of gas to be delivered by Transporter to Shipper, as described in the executed Transportation Service Agreement between Shipper and Transporter.

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FERC Docket: RP10-594-000

**Ninth Revised Sheet No. 59** Ninth Revised Sheet No. 59  
Superseding: Eighth Revised Sheet No. 59

GENERAL TERMS AND CONDITIONS

(l) The term "equivalent quantities", unless otherwise stated in the Transportation Service Agreement, shall mean the thermal quantities of gas received by Transporter at the Point(s) of Receipt for transportation adjusted for the thermal equivalent of (i) the hydrocarbon liquids that condense from the gas stream prior to the Point(s) of Delivery; and (ii) Shipper's pro rata share of lost-and-unaccounted-for gas associated with the operation of Transporter's Facility.

(m) The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission.

(n) The term "firm" shall mean not subject to interruption except as otherwise provided in Rate Schedules FT-1 or FT-2, the applicable FT-1 or FT-2 Transportation Service Agreements, or the General Terms and Conditions of Transporter's FERC Gas Tariff.

(o) The term "Force Majeure" shall have the meaning ascribed thereto in Section 7.3(b) of these General Terms and Conditions.

(p) The term "NAESB" shall mean the North American Energy Standards Board (formerly, GISB: Gas Industry Standards Board).

(q) The term "NAESB Standard" shall mean the standards issued by NAESB adopted by the Federal Energy Regulatory Commission.

(r) The term "Interactive Internet Website" shall mean Transportation Service Provider's web based browser application for allowing companies who have signed an Interactive Internet Website Agreement access to transportation related information via interactive screens and reports.

(s) The term "Internet Web Site" shall mean Transportation Service Provider's public information system found on the World Wide Web at address: <http://www.enbridgeus.com>.

(t) The term "interruptible" shall mean subject to interruption when and to the extent that Transporter determines that capacity is not available in its existing facilities, and as provided in Rate Schedule IT-1, the applicable IT-1 Transportation Service Agreement, and the General Terms and Conditions of Transporter's FERC Gas Tariff.

(u) The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity of gas in Mcf which Transporter agrees to deliver at Delivery Point(s) (excluding lost-and-unaccounted-for gas) and transport for the account of Shipper on each day during the term of the Shipper's Transportation Service Agreement.

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*FERC Docket: RP10-594-000*

**Fifth Revised Sheet No. 60** Fifth Revised Sheet No. 60

Superseding: Fourth Revised Sheet No. 60

GENERAL TERMS AND CONDITIONS

- (v) The term "Mcf" shall mean 1,000 cubic feet of gas.
- (w) The term "Maximum Daily Delivery Quantity" (MDDQ) shall mean the maximum daily quantity of gas in Mcf that Transporter agrees to deliver to or for the account of Shipper at each Delivery Point on each day during the term of Shipper's Transportation Service Agreement, as set forth on Exhibit "A" to the Transportation Service Agreement.
- (x) The term "Maximum Daily Receipt Quantity" (MDRQ) shall mean the maximum daily quantity of gas in Mcf that Transporter agrees to receive from or for the account of Shipper at each Receipt Point on each day during the term of Shipper's Transportation Service Agreement, as set forth on Exhibit "A" to the Transportation Service Agreement.
- (y) The term "month" shall mean the period beginning at 9:00 a.m. CCT on the first day of the calendar month and ending 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- (z) The term "Monthly Allocation" is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.
- (aa) The term "natural gas" or "gas" shall mean any mixture of hydrocarbons consisting essentially of methane, other hydrocarbons, and noncombustible gases in a gaseous state which is extracted from the subsurface of the earth in its natural state separately and together with liquid hydrocarbons, meeting the quality specifications set forth in Section 2 hereof.
- (ab) The term "Negotiated Rate(s)" shall mean a rate provision under which Transporter and Shipper have agreed on the amount to be charged for the service under Rate Schedule FT-1, FT-2 or IT-1 which results in a rate (including but not limited to lost-and-unaccounted-for gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds). Any Transportation Service Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT-1, FT-2 or IT-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a Negotiated Rate.

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FERC Docket: RP10-594-000

**Fifth Revised Sheet No. 60A** Fifth Revised Sheet No. 60A

Superseding: Fourth Revised Sheet No. 60A

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (cont'd)

(ac) The term "Negotiated Rate Formula" shall mean a rate formula provision under which Transporter and Shipper have agreed will be applied to service under Rate Schedule FT-1, FT-2 or IT-1 which results in a rate (including but not limited to lost-and-unaccounted-for gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds). Any Transportation Service Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT-1, FT-2 or IT-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discount rate or a rate pursuant to a Negotiated Rate Formula.

(ad) The term "New Facilities" shall mean those facilities on Transporter's System which were not included in the certificate filing in Docket CP96-307-000 or Docket No. CP96-307-002 which are necessary in order for Transporter to provide the transportation service(s) that a Shipper requests by use of the Service Request Form (for example, a new, additional Receipt and/or Delivery Point).

(ae) The term "Nomination Period" shall mean a period of time a customer includes in a nomination for gas services.

(af) The term "Operational Balancing Agreement" or "OBA" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

(ag) The term "Operational Flow Order" or "OFO" shall mean an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Transportation Service Provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.

(ah) The term "Pooling" shall mean (a) the aggregation of gas from multiple physical and/or logical points to a single or physical or logical point, and/or (b) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

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FERC Docket: RP10-594-000

**Sixth Revised Sheet No. 61** Sixth Revised Sheet No. 61  
Superseding: Fifth Revised Sheet No. 61

GENERAL TERMS AND CONDITIONS

(ai) The term "Precedent Agreement" shall mean the Precedent Agreement between Transporter and Shell Offshore Inc. dated July 26, 1996; the Precedent Agreement between Transporter and Amerada Hess Corporation dated July 26, 1996; the Precedent Agreement between Transporter and Oryx Gas Marketing Limited Partnership dated July 26, 1996; or the Precedent Agreement between Transporter and Pennzoil Exploration and Production Company dated July 26, 1996.

(aj) The term "psia" shall mean pounds per square inch absolute.

(ak) The term "psig" shall mean pounds per square inch gauge.

(al) The term "Recourse Rate" shall mean the generally applicable maximum tariff rates and surcharges set forth on the currently effective tariff Sheet No. 6.

(am) The term "scheduled quantity" shall mean the quantity of natural gas in Dth that (a) Shipper nominates for receipt by Transporter at a Receipt Point (including lost-and-unaccounted-for gas) and/or for redelivery by Transporter to Shipper at a Delivery Point, and that (b) Transporter schedules for receipt or delivery, and that (c) the operator of the connecting facilities confirms.

(an) The term "Shipper" shall mean a party which executes a Transportation Service Agreement with Transporter for a natural gas transportation service under Transporter's Rate Schedule FT-1, FT-2 or IT-1.

(ao) The term "Shipper Specific Heating Value" shall mean the total heating value of the quantity of gas that a specific Shipper delivers to Transporter at a Receipt Point for transportation pursuant to a Transportation Service Agreement. If Shipper delivers gas to Transporter at multiple Receipt Points, then for non-Receipt Point specific purposes, Shipper Specific Heating Value shall be the weighted average of the Shipper Specific Heating Value at each applicable Receipt Point.

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FERC Docket: RP10-594-000

**Sixth Revised Sheet No. 62** Sixth Revised Sheet No. 62  
Superseding: Fifth Revised Sheet No. 62

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (cont'd)

(ap) The term "total heating value" shall mean the number of Btu produced by the complete combustion with air, at constant pressure, of 1 anhydrous (dry) cubic foot of gas, at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 psia, and when the products of combustion are cooled to the initial temperature of the gas and air and all water formed by combustion is condensed to the liquid state. The total heating value (BTU per cubic foot of gas) shall be stated to at least the third decimal point for reporting purposes and to at least the sixth decimal place for calculation purposes.

(aq) The term "transportation service" shall include transportation, exchange, or backhaul service.

(ar) The term "Transporter" or "transportation service provider" shall mean Garden Banks Gas Pipeline, LLC.

(as) The term "Transporter's Facility" shall mean Transporter's 30-inch, 50 mile natural gas pipeline and appurtenant facilities extending from the "A" platform in Garden Banks Block 128, offshore Louisiana, to the "P" platform in South Marsh Island Block 76, offshore Louisiana, including a 20 inch, 910 foot delivery line from the SMI-76 "P" platform to a subsea interconnection with the 24-inch pipeline of Transcontinental Gas Pipeline Corporation and a 24-inch, 905 foot delivery line from the SMI-76 "P" platform to a subsea interconnection with the 30-inch Bluewater System, and any facilities authorized in Docket No. CP96-307-002.

(at) The term "year" shall mean a period of 365 consecutive days; provided, however, that any year which contains a date of February 29 shall consist of 366 consecutive days.

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**First Revised Sheet No. 63** First Revised Sheet No. 63  
Superseding: Original Sheet No. 63

GENERAL TERMS AND CONDITIONS

2. QUALITY

The quality specifications herein shall apply to all gas delivered to Transporter by Shipper under Rate Schedules FT-1, FT-2 and IT-1.

2.1 Specifications

All gas delivered or caused to be delivered by Shipper to Transporter at the Receipt Point(s) shall conform to the following quality specifications, or any more stringent quality specifications of a downstream pipeline, any of which may be waived by Transporter in its discretion on a nondiscriminatory basis:

(a) Oxygen. The gas shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Shipper shall make every reasonable effort to keep the gas free of oxygen.

(b) Liquids. The gas shall contain no more than 7 pounds of water vapor per million cubic feet.

(c) Hydrogen Sulfide. The gas shall not contain more than 0.25 of a grain of hydrogen sulfide per hundred cubic feet.

(d) Temperature. The gas shall have a temperature of not more than one hundred twenty degrees (120) Fahrenheit and not less than forty (40) degrees Fahrenheit.

(e) Sulfur. The gas shall not contain more than twenty (20) grains of total sulfur per hundred cubic feet.

(f) Carbon Dioxide/Nitrogen. The gas shall not contain more than three percent (3%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume.

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FERC Docket: RP10-594-000

**Second Revised Sheet No. 64** Second Revised Sheet No. 64  
Superseding: Substitute First Revised Sheet No. 64

GENERAL TERMS AND CONDITIONS

(g) Impurities. The gas shall be free from polychlorinated biphenyls (PCBs) and commercially free (at prevailing pressure and temperature in Transporter's Facility) from dust, gums, sand, oil or other foreign substances which may be injurious to Transporter's Facility or other facilities. No free water shall be injected into Transporter's Facility.

2.2 Failure to Conform:

If the gas tendered for delivery to Transporter by Shipper shall fail at any time to conform to any of the quality specifications set forth above, Transporter will notify Shipper of such deficiency and if Shipper fails to remedy such deficiency promptly, Transporter may refuse to accept further receipt pending correction by Shipper.

2.3 Tests to determine sulfur, hydrogen sulfide, oxygen, carbon dioxide and nitrogen content shall be made by approved standard methods in general use in the gas industry.

2.4 All gas delivered by Transporter to or for the account of Shipper at the Delivery Point(s) shall conform to the quality specifications in Section 2.1 above.

2.5 GAS QUALITY POSTING

Transporter will provide on its Informational Postings Web Site a link to the natural gas quality provisions in the Transporter's tariff as well as the daily average gas quality information for prior gas day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) is provided in a tabular downloadable format. In any event, compliance with gas quality requirements is in accordance with this tariff.

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FERC Docket: RP10-594-000

**Second Revised Sheet No. 65** Second Revised Sheet No. 65  
Superseding: First Revised Sheet No. 65

GENERAL TERMS AND CONDITIONS

3. MEASUREMENT

3.1 Unit of Volume:

The unit of volume shall be a cubic foot.

3.2 Measurement of Volume:

(a) When gas is delivered at a pressure different from 14.73 pounds per square inch absolute, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 pounds per square inch absolute. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice. The factor used to correct to the pressure base of 14.73 pounds per square inch absolute shall be stated to at least the sixth decimal place.

(b) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables and methods prescribed in Orifice Metering of natural gas and other related hydrocarbons fluids, AGA Report No. 3 - ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised (i.e. AGA Report No. 3, 1992 Edition and AGA Report No. 8). Exact measurements of inside diameters of meter tubes shall be obtained by means of micrometer to the nearest one-thousandth inch. Said volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraph (c) and (d) below.

(c) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for each degree of variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by the continuous use of

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*FERC Docket: RP97-310-002*

**Original Sheet No. 65A** Original Sheet No. 65A : Effective

GENERAL TERMS AND CONDITIONS

temperature transducers, and shall be either (1) recorded using digital recorders, or other mutually agreeable recording devices in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing, or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 66** First Revised Sheet No. 66  
Superseding: Original Sheet No. 66

GENERAL TERMS AND CONDITIONS

(d) A specific gravity correction shall be applied to measured volumes. The specific gravity to be used for such correction shall be determined at an appropriate location from a continuous sampling device, by a gravitometer, chromatograph or other device of standard manufacture and shall be either (1) recorded using digital recorders or other mutually agreeable recording device in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured, or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a continuous specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined monthly from a continuous sampling device or by a mutually agreeable method.

(e) The gross heating value shall be determined at an appropriate location from a continuous sampling device, by a calorimeter, chromatograph or other device of standard manufacture and shall be either (1) recorded using digital recorders or other mutually agreeable recording device in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured, or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined monthly from a continuous sampling device or by a mutually agreeable method.

3.3 The provisions of Section 3.2 govern measurement of volumes with respect to Transporter's measurement equipment. Measurement of volumes at measurement equipment owned by upstream or downstream pipelines, shall be in accordance with the requirements of the appropriate upstream or downstream pipeline.

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**First Revised Sheet No. 67** First Revised Sheet No. 67  
Superseding: Original Sheet No. 67

GENERAL TERMS AND CONDITIONS

4. MEASURING EQUIPMENT

4.1 Transporter's Measuring Equipment:

Gas delivered to Transporter and by Transporter to or for the account of Shipper shall be measured by meters installed, operated, and maintained by Transporter, or such meters as Transporter causes to be installed, operated, and maintained, equipped to record daily and hourly deliveries. Measurement data may be recorded using electronic recorders or instantaneous flow computations in electronic flow computers. Orifice meter installations shall conform to the recommendations for design and installation contained in AGA Report No. 3, as revised September 1985, and as such report may hereafter be further revised. Turbine meter installation shall conform to the recommendations for design and installation contained in Gas Measurement Committee Report No. 7 of the AGA, as published in 1981 and as such report may be further revised. Positive displacement meter installation shall conform to generally accepted engineering practices in the industry.

4.2 Testing Measuring Equipment:

Transporter shall test its meters, installed as provided in Section 4.1 above, at intervals of a maximum of sixty (60) days. Transporter shall test thermometers, gravimeters, calorimeter, chromatographs and other equipment installed as provided in subsections 3.2(c), and 3.2(d) above, at intervals of a maximum of sixty (60) days. Transporter will notify Shippers in time to permit Shipper to witness at its expense such test if Shipper so elects.

4.3 Correction of Metering Errors:

If Transporter's measurement equipment installed under Section 4.1 above or any other equipment installed under subsections 3.2(c), and 3.2(d) above is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly, and the amount of error shall be determined by the

GENERAL TERMS AND CONDITIONS

most accurate method feasible. If the inaccuracy shall have resulted in an error of more than 2% in the measurement of gas, then the calculated deliveries of gas shall be adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known. If the period of inaccuracy shall not be definitely known, then such adjustment shall be made for the last half of the period (but not exceeding 15 days) between the time the metering equipment was adjusted to register correctly and the date of the last previous meter test. If for any reason the measuring equipment is out of service or out of repair so that the amount of gas delivered cannot be ascertained or computed from the readings thereof, the amount of gas delivered during such period shall be estimated and agreed upon by the use of the first of the following methods which is feasible: (a) by using the registration of any check measuring equipment if installed and accurately registering; (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or (c) by estimating the quantity of gas delivered by reference to actual deliveries during proceeding periods under similar conditions when the equipment in question was registering accurately.

4.4 Check Measuring Equipment:

Shipper may install, maintain and operate, at its own expense, such check measuring equipment as it shall desire, provided that such equipment shall be so installed as not to interfere with the operation of Transporter's measuring equipment.

4.5 Retention of Records:

All original records of measurement or test data compiled by either party in conjunction with the provisions of Transporter's Rate Schedules and these General Terms and Conditions shall be preserved by the party for a minimum period of three (3) years from the date the record was made.

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*FERC Docket: RP10-594-000*

**First Revised Sheet No. 68A** First Revised Sheet No. 68A  
Superseding: Original Sheet No. 68A

GENERAL TERMS AND CONDITIONS

4.6 Prior Period Adjustments

The deadline for closing of measurement data shall be no later than 5 Business Days after the month of flow. Missing or late measurement data shall be estimated by the measuring party. Any measurement data or corrections received by Transporter after it has closed the previous month of flow shall be handled as a prior period adjustment. Transporter shall process late measurement data or corrections of measurement errors as soon as practicable. However, for Transportation Service Agreements executed after June 1, 1997, Transporter shall process late measurement data or corrections of measurement errors as soon as practicable but no later than six months after the applicable month of flow in question with a three month rebuttal period. These deadlines do not apply in the case of deliberate omission or misrepresentation by a party (or its representative) or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. The correction shall be made to the month of flow with a restated line item and a new total quantity of gas for the specific day(s) and the respective month.

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*FERC Docket: RP10-594-000*

**First Revised Sheet No. 69** First Revised Sheet No. 69  
Superseding: Original Sheet No. 69

GENERAL TERMS AND CONDITIONS

5. RECEIPT AND DELIVERY POINTS

5.1 Receipt Point(s):

The Receipt Point(s), the location of which shall be specified on Exhibit "A" to the Transportation Service Agreement(s), shall be at the inlet side of Transporter's measurement facilities, or such other point as may be mutually agreed upon between Transporter and Shipper. The transfer of the possession and custody of the gas from Shipper to Transporter shall occur at the Receipt Point.

Each Receipt Point listed on Exhibit "A" to an FT-1 or FT-2 Transportation Service Agreement (Primary Receipt Point(s)) shall specify on said Exhibit "A" the Maximum Daily Receipt Quantity (MDRQ) of gas to be received from Shipper for transportation at said point. The sum of the MDRQs specified on the Exhibit "A" to a Transportation Service Agreement shall not exceed the Maximum Daily Quantity specified in the same Transportation Service Agreement.

All Receipt Points on Transporter's system not listed on Exhibit "A" of Shipper's FT-1 or FT-2 Transportation Service Agreement shall be considered Secondary Receipt Points under that Agreement.

5.2 Delivery Point(s):

The Delivery Point(s), the location of which shall be specified on Exhibit "A" to the Transportation Service Agreement(s) between Transporter and Shipper, shall be at the outlet side of Transporter's measurement facilities, or the inlet side of the measurement facilities of the downstream transporter at the specific Delivery Point(s), or such other point as may be mutually agreed upon between Transporter and Shipper. The transfer of the possession and custody of the gas from Transporter to Shipper shall occur at the Delivery Point.

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**Second Revised Sheet No. 70** Second Revised Sheet No. 70  
Superseding: First Revised Sheet No. 70

GENERAL TERMS AND CONDITIONS

5. RECEIPT AND DELIVERY POINTS

Each Delivery Point listed on Exhibit "A" to an FT-1 or FT-2 Transportation Service Agreement (Primary Delivery Point(s)) shall specify on said Exhibit "A" the Maximum Daily Delivery Quantity (MDDQ) of gas to be delivered to Shipper by Transporter at said point. The sum of the MDDQs specified on the Exhibit "A" to a Transportation Service Agreement shall not exceed the Maximum Daily Quantity specified in the same Transportation Service Agreement. All Delivery Points on Transporter's system not listed on Exhibit "A" of Shipper's FT-1 or FT-2 Transportation Service Agreement shall be considered Secondary Delivery Points under that Agreement.

5.3 Addition/Deletion of Existing Receipt Points:

For service performed under Rate Schedules FT-1 and FT-2, Shipper may give notice to Transporter, by use of the Service Request Form, of its request to add any existing Receipt Point on Transporter's System as a Primary Receipt Point on Exhibit "A" to its Transportation Service Agreement or delete any Primary Receipt Point on Exhibit "A" to the Transportation Service Agreement or change the Maximum Daily Receipt Quantity (MDRQ) for any Primary Receipt Point on Exhibit "A". A revised Exhibit "A" to the Transportation Service Agreement indicating the requested change(s) shall be executed. Provided however, that any such change on an Exhibit "A" to a Transportation Service Agreement must include corresponding changes to the existing MDRQs such that the sum of the changed MDRQs shall not exceed the Maximum Daily Quantity under the Transportation Service Agreement. Any change to an existing Exhibit "A" shall not interfere with the Primary Receipt Point(s) and associated MDRQ in an existing Exhibit "A" to an FT-1 or FT-2 Transportation Service Agreement.

For service performed under Rate Schedule IT-1, Transporter shall maintain on its Internet Web Site an updated list of all Receipt Points available for interruptible transportation service.

GENERAL TERMS AND CONDITIONS

Nothing contained in this Section 5.3 shall be construed to allow Shipper to nominate gas for transportation in excess of the Maximum Daily Quantity under its Transportation Service Agreement(s) multiplied by the Shipper Specific Heating Value. Provided, however, a Shipper's Maximum Daily Quantity under its Transportation Service Agreement shall not be deemed to have been exceeded by the nominating of its pro rata share of lost-and-unaccounted-for gas. The foregoing is without prejudice to Shipper's right to nominate Authorized Overruns under its FT-2 Transportation Service Agreement.

5.4 Addition/Deletion of Existing Delivery Points:

For service performed under Rate Schedules FT-1 and FT-2, Shipper may give notice to Transporter, by use of the Service Request Form, of its request to add any existing Delivery Point on Transporter's System as a Primary Delivery Point on Exhibit "A" to its Transportation Service Agreement or delete any Primary Delivery Point to Exhibit "A" to the Transportation Service Agreement or change the Maximum Daily Delivery Quantity (MDDQ) for any Primary Delivery Point on Exhibit "A". A revised Exhibit "A" to the Transportation Service Agreement indicating the requested change(s) shall be executed. Provided, however, that any such change on an Exhibit "A" to a Transportation Service Agreement for transportation service under Rate Schedule FT-1 or FT-2 must include corresponding changes to the existing MDDQs such that the sum of the changed MDDQs shall not exceed the Maximum Daily Quantity under the Transportation Service Agreement. Any change to an existing Exhibit "A" shall not interfere with the Primary Delivery Point(s) and associated MDDQ in an existing Exhibit "A" to an FT-1 or FT-2 Transportation Service Agreement.

Nothing contained in this Section 5.4 shall be construed to allow Shipper to nominate gas for transportation on any day in excess of the Maximum Daily Quantity under its Transportation Service Agreement(s) multiplied by the Shipper Specific Heating Value. Provided, however, a Shipper's Maximum Daily Quantity under its Transportation Service Agreement shall not be deemed to have been exceeded by the nominating of its pro rata share of lost-and-unaccounted-for gas. The foregoing is without prejudice to Shipper's right to nominate Authorized Overruns under its FT-2 Transportation Service Agreement.

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**Original Sheet No. 72** Original Sheet No. 72 : Effective

GENERAL TERMS AND CONDITIONS

6. PRESSURE

6.1 Receipt Point(s):

All gas to be transported for Shipper shall be delivered to Transporter at pressures sufficient to enter Transporter's Facility at such working pressures maintained by Transporter at each Receipt Point; provided, however, that such pressures shall not exceed Transporter's maximum allowable operating pressures at each such point. Transporter shall operate its system so that the pressure at each Receipt Point shall not exceed the lesser of the Maximum Receipt Point Pressure as stated on Exhibit "A" of the applicable Transportation Service Agreement(s) or 1750 psig.

6.2 Delivery Point(s):

Gas will be delivered by Transporter at each Delivery Point on Exhibit "A" to the Transportation Service Agreement at the working pressures maintained by Transporter from time to time, but not greater than the Maximum Delivery Point Pressure as stated on Exhibit "A" to the applicable Transportation Service Agreement(s).

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**First Revised Sheet No. 73** First Revised Sheet No. 73  
Superseding: Original Sheet No. 73

GENERAL TERMS AND CONDITIONS

7. CONTROL/FORCE MAJEURE

7.1 Control of Gas:

For the purpose of determining the liability of Transporter and Shipper, respectively, Shipper shall be deemed to be in exclusive control and possession of the gas to be transported (i) until such gas has been actually received by Transporter at the Receipt Point(s), and (ii) after the gas has been delivered to or for the account of Shipper hereunder by Transporter at the Delivery Point(s). Transporter shall be deemed to be in exclusive control and possession of the gas transported hereunder after it is delivered to Transporter at the Receipt Point(s) and until it is redelivered to Shipper at the Delivery Point(s). Title to that share of gas deemed as lost-and-unaccounted-for gas hereunder shall pass to Transporter at the Receipt Point(s).

7.2 Responsibility and Liability:

The party deemed to be in control and possession of the gas to be transported shall be responsible for and shall indemnify the other party with respect to any losses, claims, liabilities, damages and expenses, including court costs and reasonable attorneys' fees (except punitive, incidental, consequential or special damages), arising therefrom except to the extent such losses, claims, liabilities and expenses arise from the other party's sole, joint, or concurrent negligence, or gross negligence, or intentional or willful misconduct.

7.3 Force Majeure:

(a) In the event of either Transporter or Shipper being rendered unable, wholly or in part, by Force Majeure to carry out its obligations under the Transportation Service Agreement, other than the obligation to make payments due thereunder (including the payment of any applicable reservation charges) it is agreed that, on such party giving notice and full particulars of such Force Majeure via email, posting on the Transporter's Internet Website or by telephone (followed by written confirmation) or by facsimile transmission to the

GENERAL TERMS AND CONDITIONS

other party as soon as reasonably possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than the obligation to make payments due, including the payment of any applicable reservation charges), so far as they are affected by such Force Majeure, shall be excused during the continuance of any inability so caused but for no longer period; and such cause shall as far as possible be remedied with all reasonable dispatch.

- (b) The term "Force Majeure" shall mean any event or condition whether affecting Transporter or Shipper or any other person, which has prevented, hindered or delayed either Transporter or Shipper from performing any obligation hereunder in whole or in part, if such event or condition is beyond the reasonable control of the party claiming Force Majeure. Such events or condition shall include, but not be limited to: acts of God; strikes, lockouts or other industrial disturbances; sabotage, acts of the public enemy, wars, blockade, insurrections, riots or epidemics; landslides, lightning, earthquakes, fires, hurricanes, storms, storm warnings, floods or washouts; arrests and restraints of governments and people or civil disturbances; explosions, breakage or accident to plants, platforms, equipment, machinery or lines of pipe; freezing of wells, or lines of pipe; authorized abandonment of any lines of pipe immediately connected to Transporter's; acts of government or the necessity of complying with any governmental or judicial rule or order; and any other causes of a similar nature, whether of the kind herein enumerated or otherwise, whether affecting Transporter or Shipper or upstream or downstream transporters or gatherers, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome; such term shall likewise include the inability of either party to acquire, or delays on the part of such party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights-of-way grants, permits, permissions, certificates, authorizations, licenses, materials or supplies which are

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**Original Sheet No. 75** Original Sheet No. 75 : Effective

GENERAL TERMS AND CONDITIONS

required to enable such party to fulfill its obligations hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the person affected, and the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected thereby.

- (c) If an incident of Force Majeure claimed by Transporter prevents Transporter from performing transportation service for Shippers under existing Transportation Service Agreements under Rate Schedules FT-1 and FT-2, then to the degree such service is not available for those Shippers' use, no Reservation Charges will be collected by Transporter for the degree of service not available to those Shippers.

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**Original Sheet No. 76** Original Sheet No. 76 : Effective

GENERAL TERMS AND CONDITIONS

8. WARRANTY OF TITLE

Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery of gas to Transporter for transportation hereunder, good title to the gas or the full right and authority to deliver such gas, and that all such gas shall be free and clear of all liens, encumbrances and claims whatsoever. Transporter warrants for itself, its successors and assigns, that the gas it delivers hereunder to or for the account of Shipper at the Delivery Point(s) shall be free and clear of all liens, encumbrances and claims whatsoever. Each party will indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses (including court cost and reasonable attorney fees) arising from or out of the indemnifying party's breach of the foregoing warranty; including, but not limited to, adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees, or charges which attach or relate to the gas. If Shipper's title or right to deliver gas to Transporter is questioned or involved in any action, Transporter may cease to allow Shipper to continue to receive service under the impacted Transportation Service Agreement until such time as Shipper's title or rights to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this FERC Gas Tariff and impacted Transportation Service Agreement if Shipper furnishes a bond satisfactory to Transporter. Title to the gas received by Transporter at the Receipt Point(s) shall not pass to Transporter except that title to gas delivered for lost-and-unaccounted-for quantities shall pass to Transporter at the Receipt Point(s) or to Shipper at the Delivery Point(s) as applicable.

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*FERC Docket: CP96-678-001*

**Original Sheet No. 77** Original Sheet No. 77 : Effective

GENERAL TERMS AND CONDITIONS

9. UNIFORM RATES OF FLOW

All gas delivered to or by Transporter under its Rate Schedules shall be delivered at rates as constant as operationally feasible throughout the day. Transporter shall not be obligated to deliver gas under any Rate Schedule in excess of uniform hourly rates.

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**Original Sheet No. 78** Original Sheet No. 78 : Effective

GENERAL TERMS AND CONDITIONS

10. INSTALLATION OF FLOW CONTROL EQUIPMENT

Transporter may elect to construct, install, and operate flow control equipment at any location on Transporter's Facility whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient, and orderly operation of Transporter's Facility in a manner that is consistent with its obligations to provide service under all of its Rate Schedules.

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**Fifth Revised Sheet No. 79** Fifth Revised Sheet No. 79  
Superseding: Fourth Revised Sheet No. 79

GENERAL TERMS AND CONDITIONS

11. NOMINATIONS

11.1 Nomination Procedures:

(a) General: Shipper shall nominate gas for transportation under its Transportation Service Agreement(s) by notifying Transporter, via Transporter's Interactive Internet Website or by calling 1-800-428-3676 and following with a facsimile by 9:00 a.m. the next Business Day. A valid nomination includes the daily quantity of gas it has available for transportation at each Receipt Point and of the quantity of gas it desires to have delivered at each Delivery Point, expressed in Dth. All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within the range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

Transporter shall not be obligated to accept nominations in excess of the MDDQ at each Delivery Point multiplied by the Shipper Specific Heating Value for the specific month. Shipper shall be entitled to nominate at each Receipt Point a quantity of gas in excess of the MDRQ multiplied by the Shipper Specific Heating Value for the specific month equal to Shipper's pro rata share of lost-and-unaccounted-for gas. Notwithstanding the above, the quantity contained in a valid Imbalance make-up nomination or Authorized Overrun nomination when combined with the quantities contained in the other nominations made by Shipper at the same Receipt and/or Delivery Point may cause the MDRQ and/or MDDQ of a specific Receipt/Delivery Point to be exceeded.

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**Third Revised Sheet No. 79A** Third Revised Sheet No. 79A : Effective  
Superseding: Second Revised Sheet No. 79A  
GENERAL TERMS AND CONDITIONS

11.1 Nomination Procedures (cont'd)

(b) Standard Nomination Cycle: All  
Transportation Service Providers should  
support the following standard nomination  
cycles:

(i) Timely Nomination Cycle:  
The nomination time line on the day  
prior to gas flow shall be the  
following:

11:30 a.m. CCT Nomination leaves  
control of the  
nominating party

11:45 a.m. CCT Receipt of nomination  
by Transporter  
(including from Title  
Transfer Tracking  
Service Providers  
(TTTSPs)

12:00 p.m. CCT Send quick response

3:30 p.m. CCT Receipt of completed  
confirmations by  
Transporter from  
upstream and downstream  
connected parties

4:30 p.m. CCT Receipt of scheduled  
quantities by Shipper  
and point operator

(ii) The Evening Nomination Cycle:  
The nomination time line on the day  
prior to gas flow shall be the  
following:

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**Third Revised Sheet No. 79B** Third Revised Sheet No. 79B : Effective

Superseding: Second Revised Sheet No. 79B

GENERAL TERMS AND CONDITIONS

11.1 Nomination Procedures (cont'd)

- 6:00 p.m. CCT Nomination leaves control of nominating party
- 6:15 p.m. CCT Receipt of nomination by Transporter (including from (TTSPs))
- 6:30 p.m. CCT Send quick response
- 9:00 p.m. CCT Receipt of completed confirmations by Transporter from upstream and downstream connected parties
- 10:00 p.m. CCT Transporter provides scheduled quantities to affected Shippers and point operators, and provides scheduled quantities to bumped parties (notice to bumped parties)

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. CCT of gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. CCT on gas day.

- (iii) The Intraday 1 Nomination Cycle:  
The nomination time line on the day of gas flow shall be the following:

- 10:00 a.m. CCT Nomination leaves control of nominating party
- 10:15 a.m. CCT Receipt of nomination by Transporter (including from (TTSPs))
- 10:30 a.m. CCT Send quick response
- 1:00 p.m. CCT Receipt of completed confirmations by Transporter from upstream and downstream connected parties
- 2:00 p.m. CCT Transporter provides scheduled quantities to affected shippers and point operators, and provides scheduled quantities to bumped parties (notice to bumped parties)

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**Second Revised Sheet No. 79C** Second Revised Sheet No. 79C  
Superseding: First Revised Sheet No. 79C

11.1 Nomination Procedures (cont'd)

Scheduled quantities resulting from Intraday 1  
Nominations should be effective at 5:00 p.m. CCT on  
gas day.

(iv) The Intraday 2 Nomination Cycle:  
The nomination time line on the day of gas flow  
shall be the following:

5:00 p.m. CCT Nomination leaves control of  
nominating party  
5:15 p.m. CCT Receipt of nomination by  
Transporter (including from  
TTSPs)  
5:30 p.m. CCT Send Quick Response  
8:00 p.m. CCT Receipt of completed  
confirmations by Transporter from  
upstream and downstream connected  
parties  
9:00 p.m. CCT Transporter provides scheduled  
quantities to affected shippers  
and point operators.

Scheduled quantities resulting from Intraday 2  
Nominations should be effective at 9:00 p.m. CCT  
on gas day. Bumping is not allowed during the  
Intraday 2 Nomination Cycle.

(v) For purposes of 11.1 (b) (ii), (iii), and (iv)  
above, "provide" shall mean, for transmittals  
pursuant to standards 1.4.x, receipt at the  
designated site, and for purposes of other forms  
of transmittal, it shall mean send or post.

(vi) Model: Refer to Standard 1.3.2, version 1.3

(c) Intraday nominations are for one day only. Intraday  
nominations may be used to nominate new supply or  
market.

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**Fifth Revised Sheet No. 80** Fifth Revised Sheet No. 80  
Superseding: Fourth Revised Sheet No. 80

GENERAL TERMS AND CONDITIONS

11.1 Nomination Procedures

(d) Make-up Nominations: Transporter shall accept a nomination in accordance with the Standard Nomination Cycles to correct an Estimated Net Imbalance associated with a specific Transportation Service Agreement ("Imbalance make-up nomination") if (i) an estimated imbalance exists pursuant to subsection 13.2 (a) and (ii) implementation of the nomination would serve to reduce the Net Estimated Imbalance. The fact that an Imbalance make-up nomination may not be balanced between the quantity of gas nominated at Receipt Point(s) and Delivery Point(s) shall not in itself cause Transporter to reject the nomination.

(e) Other Nominations: Transporter may accept in a nondiscriminatory manner a nomination in Dth submitted by Shipper which does not comply with the requirements of this Section 11.1 if, in Transporter's reasonable judgment, the acceptance of such nomination will not adversely affect the timely processing by Transporter of all other Shippers' nominations which do comply hereunder.

(f) Bumping: With the sole exception of the Intraday 2 Nomination Cycle pursuant to Section 11.1(b)(iv), scheduling priorities are given to nominations submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers (bumping). Transportation Service Provider will provide bumping notices on its Internet Web Site and notify affected parties of such notices in either of the following ways to be chosen by the affected party: Internet email or direct notification to the party's Internet URL address.

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**Fourth Revised Sheet No. 81** Fourth Revised Sheet No. 81 : Effective  
Superseding: Third Revised Sheet No. 81

GENERAL TERMS AND CONDITIONS

11.1 Nomination Procedures (cont'd)

- (g) Ranking: On the Shipper Nomination Form, Shipper requester shall provide a predetermined priority (Rank) for all of the Delivery Point(s) and associated quantities nominated under a Transportation Service Agreement to be used by Transporter to limit the deliveries under the Transportation Service Agreement in the event of an interruption or reduction in the receipts of Shipper's gas by Shipper or third parties at the Delivery Point. Shipper shall also provide a predetermined priority at all Receipt Point(s) at which Shipper has nominated gas to be transported under a Transportation Service Agreement to be used by Transporter to limit the receipts of gas from Shipper at the Receipt Point(s) in the event of an interruption or reduction in the quantities of gas that Shipper delivers to Transporter at a Receipt Point(s).

11.2 Adjusting Nominations:

- (a) Allocating transportation services will be based on nominations.
- (b) Transporter shall adjust nominations for receipts and deliveries of gas in the priority categories specified below (listed in highest to lowest priority order), such that any curtailments will result in allocations of available capacity to higher priority services before lower priority services (Adjusted Nominations). Unless otherwise specified, allocating priority within a category shall be on a pro rata basis:
  - (i) Transportation service at Primary Receipt and Delivery Points up to the associated MDRQ multiplied by the Shipper Specific Heating Value and associated MDDQ multiplied by the Shipper Specific Heating Value, to the extent that nominations are not in excess of the MDDQ under Shipper's FT-1 or FT-2 Transportation Service Agreement multiplied by the Shipper Specific Heating Value.
  - (ii) Transportation service at Secondary Receipt and Delivery Points along the path defined by Primary Receipt and Delivery Points ("Firm Point path") up to the remaining available capacity of each point to the extent that the summation of Shipper's nominations at Primary and Secondary Receipt and Delivery Points is

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**First Revised Sheet No. 82** First Revised Sheet No. 82 : Effective  
Superseding: Sub Original Sheet No. 82

GENERAL TERMS AND CONDITIONS

not in excess of the MDQ under Shipper's FT-1 or FT-2 Transportation Service Agreements multiplied by the Shipper Specific Heating Value.

- (iii) Transportation service at other Secondary Receipt and Delivery Points up to the remaining available capacity of each point to the extent that the summation of Shipper's nominations at Primary and Secondary Receipt and Delivery Points is not in excess of the MDQ under Shipper's FT-1 or FT-2 Transportation Service Agreements multiplied by the Shipper Specific Heating Value.
  - (iv) Transportation service according to the applicable rate for quantities nominated under 1) IT-1 Transportation Service Agreement, or 2) authorized overrun nominated under an FT-2 Transportation Service Agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates.
  - (v) Imbalance make-up nominations.
- (c) If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including Receipt and Delivery Points, but excluding any restraints of upstream and/or downstream pipelines, is insufficient to provide all service requirements which are nominated to receive service on such day, then the following curtailment policy, which could result in curtailment of service, to zero if necessary, will apply:
- (i) If the above determination of constraint is made BEFORE Scheduled Quantities are determined for the constrained Receipt and/or Delivery Point(s), then adjustments to nominations shall be made pursuant to subsection 11.2(b), thereby resulting in allocations of available capacity to higher priority services before lower services.
  - (ii) If the above determination of constraint is made AFTER Scheduled Quantities are determined for the constrained Receipt and/or Delivery Point(s), then in this situation only, service pursuant to subsection 11.2(b)(ii) must be allocated within the same priority as service pursuant to subsection 11.2(b)(i).

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**Third Revised Sheet No. 83** Third Revised Sheet No. 83  
Superseding: Second Revised Sheet No. 83

GENERAL TERMS AND CONDITIONS

(iii) If capacity must be allocated within the services included in subsection 11.2(b)(iii), transportation service will be curtailed according to the price ranking used for allocations, such that Shippers who pay higher rates are curtailed after those who pay lower rates; and in the event more than one Shipper is paying a given rate, then the service interruption for those Shippers will be allocated pro rata based on each Shipper's share of scheduled nominations for that Receipt or Delivery Point.

(d) Service at the pooling point shall be governed by Section 39 of these General Terms and Conditions. To determine the volumes which can be accommodated at the pooling point, Transporter shall evaluate the capacity available both: (1) upstream and at Receipt Points for gas tendered pursuant to the Agreement(s) under which gas is nominated for delivery to the pooling point; and (2) downstream and at Delivery Points under the Agreement(s) pursuant to which gas is nominated to be received from the pooling point. Gas shall not be confirmed at the pooling point to the extent capacity constraints exist which affect any such receipts or deliveries, applying the priorities set out elsewhere in this Section.

11.3 Scheduled Quantity:

(a) Confirmation: Transporter may make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at each Receipt Point and each Delivery Point, to determine that Shipper's Adjusted Nominations will be confirmed. Shipper shall be responsible for all dispatching notices to third-party transporter(s) and for notifying third-party transporter(s) of any changes in nominations. Transporter will accept only that portion of Shipper's Adjusted Nomination that is confirmed (Scheduled Quantity).

(i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

**Second Revised Sheet No. 83A** Second Revised Sheet No. 83A  
Superseding: First Revised Sheet No. 83A

11.3 Scheduled Quantity (cont'd):

(ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

(iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be new confirmed quantity.

(iv) With respect to 11.3 (a) (i), (ii), and (iii) above, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:

(1) the Service Requester's Transportation Service Provider did not conduct the confirmation;

(2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;

(3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;

(4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;

(5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

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**First Revised Sheet No. 83B** First Revised Sheet No. 83B  
Superseding: Original Sheet No. 83B

11.3 Scheduled Quantity (cont'd):

In addition to making scheduled quantities information available by 4:30 p.m. CCT, at the end of each day transportation service providers should also make available to Shippers information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.

At the end of each gas day, Transporter will provide the final scheduled quantities for the just completed gas day to satisfy the NAESB requirement to report daily operational allocations. Transporter will make available on the Customer Activity section of its website an end of gas day Scheduled Quantity document for each Shipper indicating their scheduled quantities on an "all locations for a Shipper basis". Receivers of the end of gas day Scheduled Quantity document can waive the sender's sending of the end of gas day Scheduled Quantity document.

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**Third Revised Sheet No. 84** Third Revised Sheet No. 84 : Effective  
Superseding: Second Revised Sheet No. 84  
GENERAL TERMS AND CONDITIONS

## 12. DETERMINATION OF RECEIPTS AND DELIVERIES

The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements.

### 12.1 Allocation of Actual Quantities at Receipt Point:

- (a) In the event gas from multiple Shippers is measured by Transporter's meter at any Receipt Point, all Shippers delivering gas to Transporter at that Receipt Point shall provide, or cause to be provided, to Transporter a predetermined allocation statement from its seller(s) and/or third-party transporter(s)/operator(s) delivering gas to Transporter at that Receipt Point for the purpose of determining the quantity of gas in Dth to be received by Transporter for the account of Shipper at that Receipt Point for the day(s) (and in the aggregate for the month) for which Shipper has made its nominations(s). The upstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas day.
- (b) Except as provided in subsection 12.1(c), the predetermined allocation statements provided for a Receipt Point on Transporter's system shall include:
  - (i) an allocation by the operator of the facilities immediately upstream of Transporter's Receipt Point of the actual quantities of gas in Dth to be received by Transporter which allocates each working interest owner's gas from the production source field(s) on each day following the day of gas flow based on one and only one of the allocation methodology types agreed upon as follows; ranked, pro rata, percentage, swing, and operator provided value:

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Superseding: First Revised Sheet No. 84A

GENERAL TERMS AND CONDITIONS

- (A) ranked by the order in which gas received by Transporter at the Receipt Point is to be allocated to each working interest owner in the production source field(s);
- (B) pro rata based on the confirmed nominations Transporter receives from the Shippers purchasing receiving gas from each working interest owner;
- (C) percentage of the gas received by Transporter;
- (D) designation of a "swing" contract for receipt volume imbalances; or
- (E) an operator provided value.

In the event the gas received by Transporter at a Receipt Point is from more than one production source field, the operator of the facilities immediately upstream of the Receipt Point shall provide Transporter an allocation of the gas delivered to the Receipt Point from each production source pursuant to one of the methods under subsection 12.1 (b) (i).

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**Third Revised Sheet No. 85** Third Revised Sheet No. 85 : Effective  
Superseding: Second Revised Sheet No. 85

GENERAL TERMS AND CONDITIONS

(ii) an allocation by each working interest owner of the various Transportation Service Agreements supplied by said working interest owner's share of actual quantities of gas in Dth received at the Receipt Point on the day after the day of gas flow based on one and only one of the allocation methodology types agreed upon as follows; ranked, pro rata, percentage, swing and operator provided value:

- (A) ranked by the order in which the Transportation Service Agreements are to be allocated to the extent gas is available as allocated pursuant to subsection 12.1(b) (i);
- (B) pro rata based on the Shipper's confirmed nominations;
- (C) percentage of the gas received by Transporter;
- (D) designation of a "swing" contract for receipt volume imbalances; or
- (E) an operator provided value.

Predetermined allocation statements shall include the contract number assigned by Transporter to each Transportation Service Agreement and the name of the Shipper thereunder.

- (c) At a location which is not covered by an OBA, Transporter will allocate to Shippers at the Shippers' contract level or higher. Transporter is not required to allocate to a lower level or accept accounting allocation instructions from the Shipper (ie., neither Pre-determined Allocations (PDAs) nor Shipper ranks supplied in the nomination).
- (d) At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.
- (e) A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Transporter's existing tariff or general terms and conditions, the latter will prevail.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-453-000

**First Revised Sheet No. 85A** First Revised Sheet No. 85A : Effective

Superseding: Original Sheet No.85A

GENERAL TERMS AND CONDITIONS

- (f) The predetermined allocation statement for Receipt Points interconnecting with third-party pipelines shall be provided by the third-party pipeline and shall rank the various Transportation Service Agreements to be supplied at the Receipt Point in accordance with one of the methodologies enumerated in subsection 12.1(b)(ii). In the event there is a conflict between the foregoing methodologies and the third-party pipeline's provision in its FERC Gas Tariff governing the allocations of deliveries, said pipeline company and Transporter shall mutually agree on the predetermined allocation methodology to be used. The ranking shall include the contract number assigned by Transporter to each Transportation Service Agreement and the name of the Shipper thereunder.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Sixth Revised Sheet No. 86** Sixth Revised Sheet No. 86  
Superseding: Fifth Revised Sheet No. 86

GENERAL TERMS AND CONDITIONS

12.1 ALLOCATION OF ACTUAL QUANTITIES AT RECEIPT POINTS:

(g) Each predetermined allocation statement, and revision thereto, must be received by Transporter's Transportation Services, by calling 1-800-428-3676 and following with a facsimile by 9:00 a.m. the next Business Day. If there are no additions in nominations by a Shipper at a Receipt Point or other changes, the current predetermined allocation statement will stay in effect as submitted until it is changed pursuant to the foregoing procedures.

(h) In the event Transporter does not receive a predetermined allocation statement, or revised predetermined allocation statement, for a Receipt Point in a timely manner, each Shipper agrees that Transporter shall be authorized to allocate gas supplies at that Receipt Point on a pro rata basis based on all scheduled quantities.

(i) Shipper hereby agrees that Transporter shall have the right to rely conclusively on the foregoing predetermined allocations for the purposes of determining the daily quantities of gas received by Transporter for the account of Shipper at each Receipt Point.

(j) A new allocation detail may be needed when a nomination changes.

Effective Date: 08/01/1999 Status: Effective

FERC Docket: RP99-382-000

**First Revised Sheet No. 86A** First Revised Sheet No. 86A : Effective  
Superseding: Original Sheet No.86A

GENERAL TERMS AND CONDITIONS

12.2 Allocation of Actual Quantities at Delivery Points:

- (a) The downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas day. The allocation statement shall allocate the actual quantities of gas in Dth delivered each day (and in the aggregate for the month) for the account of its Shippers at all of its various Delivery Points. The allocation methodology types agreed upon are as follows; ranked, pro rata, percentage swing, or operator provided value:
  - (i) ranked by the order in which the Transportation Service Agreements are to be allocated to the extent gas is available as allocated pursuant to subsection 12.2(b);
  - (ii) pro rata based on confirmed nominations;
  - (iii) percentage of the gas available for delivery at the Delivery Point;
  - (iv) designation of a "swing" contract for delivery volume imbalances; or
  - (v) an operator provided value.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 87** Third Revised Sheet No. 87  
Superseding: Second Revised Sheet No. 87

GENERAL TERMS AND CONDITIONS

(b) It there is insufficient quantity of gas to match the total scheduled quantities within a particular category below, then the available quantity of gas shall be allocated pro rata within that category based on scheduled quantities; and if there is a quantity of gas in excess of the quantity needed to match the total scheduled quantities within the last category below, then the excess quantity of gas shall be allocated pro rata within that category based on scheduled quantities. Allocations at Delivery Points shall be performed at the lowest level of detail provided by Shipper's nominations for gas to be delivered by Transporter at the Delivery Points.

(i) the scheduled quantity of gas in Dth for FT-1 and FT-2 Transportation Service Agreements at Primary Delivery Points up to Shipper's MDDQ multiplied by the Shipper Specific Heating Value;

(ii) the scheduled quantity of gas in Dth for FT-1 and FT-2 Transportation Service Agreements at Secondary Delivery Points and the scheduled quantity of gas for FT-1 and FT-2 Transportation Service Agreements in excess of Shipper's MDDQ at Primary Delivery Points multiplied by the Shipper Specific Heating Value;

(iii) the scheduled quantity of Authorized Overrun gas in Dth for FT-2 Transportation Service Agreements and/or the scheduled quantity of gas for IT-1 Transportation Service Agreements.

(c) At a location which is not covered by an OBA, Transporter will allocate to Shippers at the Shippers' contract level or higher. Transporter is not required to allocate to a lower level or accept accounting allocation instructions from the Shipper (i.e., neither Pre-determined Allocations (PDAs) nor Shipper ranks supplied in the nomination).

(d) At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.

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*FERC Docket: RP10-594-000*

**First Revised Sheet No. 87A** First Revised Sheet No. 87A  
Superseding: Original Sheet No. 87A

GENERAL TERMS AND CONDITIONS

(e) A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Transporter's existing tariff or general terms and conditions, the latter will prevail.

12.3 Prior Period Adjustments:

Any allocation data or corrections received by Transporter after it has closed the previous month of flow shall be handled as a prior period adjustment. Transporter shall process late allocation data or corrections of allocation errors as soon as practicable. However, for Transportation Service Agreements executed after June 1, 1997, Transporter shall process late allocation data or corrections of allocation errors as soon as practicable but no later than six months after the applicable month of flow in question with a three month rebuttal period. These deadlines do not apply in the case of deliberate omission or misrepresentation by a party (or its representative) or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. The correction shall be made to the month of flow with a restated line item and a new total quantity of gas for the specific day(s) and the respective month.

*Effective Date: 05/10/2010 Status: Effective*  
*FERC Docket: RP10-594-000*

**Fifth Revised Sheet No. 88** Fifth Revised Sheet No. 88  
Superseding: Fourth Revised Sheet No. 88

GENERAL TERMS AND CONDITIONS

13. RESOLUTION OF IMBALANCES

13.1 Responsibility to Control Imbalances:

(a) A Shipper receiving any transportation service from Transporter will use, or will cause any party delivering or receiving Shipper's gas to use, all reasonable efforts to ensure that receipts and deliveries of gas are equal to Shipper's scheduled quantities at the Receipt and Delivery Point(s) pursuant to Shipper's Transportation Service Agreement(s).

(b) Transporter will use all reasonable efforts to ensure that delivery of gas pursuant to its Transportation Service Agreement(s) is equal to Shipper's scheduled quantities at the Delivery Point(s).

(c) To aid Shippers in managing the magnitude of their individual Net Monthly Imbalance, Transporter will post daily on its Interactive Internet Website an Estimated Net Imbalance by Transportation Service Agreement calculated as described in Section 13.2 with the most current data available for the month.

13.2 Resolution of Monthly Imbalances:

All imbalances accrued by Shipper under its Transportation Service Agreements shall be resolved on a monthly basis pursuant to the provisions herein. Transporter will calculate, for each Transportation Service Agreement, the imbalance which exists between (i) the summation of the quantities of gas allocated each day to Shipper for its accounts at the Delivery Point(s) during the month and (ii) the summation of the quantities of gas allocated each day to Shipper for its accounts at the Receipt Point(s) during the month. All such imbalances ("overdeliveries" if positive value and "underdeliveries" if negative value) accrued by Shipper under each of its Transportation Service Agreements will be combined to derive a "Net Monthly Imbalance" (in Dth).

*Effective Date: 05/10/2010 Status: Effective*  
*FERC Docket: RP10-594-000*

**Second Revised Sheet No. 88A** Second Revised Sheet No. 88A  
Superseding: First Revised Sheet No. 88A

GENERAL TERMS AND CONDITIONS

13.2 Resolution of Monthly Imbalances (cont'd)

(c) On or about the tenth (10th) Business Day after the end of the production month, Transporter shall post on its Internet Web Site the Net Monthly Imbalance accrued by each Shipper during the previous month, provided Shipper notifies Transporter's Transportation Services Department by submitting an Imbalance Trading Election Form no later than three (3) Business Days after the end of the month to post its Net Monthly Imbalance for said month. After the Net Monthly Imbalances are posted, a Shipper will have five (5) Business Days (Trading Period) within which to trade its offsetting Net Monthly Imbalance with another Shipper. Both Shippers that agree to trade all or part of their Net Monthly Imbalance must notify Transporter's Transportation Services Department in writing on the Imbalance Trading Confirmation Form by 5:00 p.m. Central Clock Time on the last day of the Trading Period. [Imbalance Trading Election Form and Imbalance Trading Confirmation Form shall be available for downloading on Transporter's Internet Web Site.]

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP00-322-001

**Fifth Revised Sheet No. 89** Fifth Revised Sheet No. 89 : Effective

Superseding: Fourth Revised Sheet No. 89

GENERAL TERMS AND CONDITIONS

13.2 Resolution of Monthly Imbalances (cont'd)

(d) If Shipper's Net remaining Monthly Imbalance is positive after the expiration of the Trading Period, Shipper shall pay Transporter the Index Price for Shipper's remaining Net Monthly Imbalance.

(e) If Shipper's remaining Net Monthly Imbalance is negative after the expiration of the Trading Period, Transporter shall pay Shipper the Index Price for its remaining Net Monthly Imbalance.

(f) The Index Price for each specific month shall be equal to the average spot prices published in Natural Gas Intelligence Gas Price Index for "South Louisiana Region, Tennessee Line 500" during the month in which Shipper's Net Monthly Imbalance was incurred.

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*FERC Docket: RP10-594-000*

**Third Revised Sheet No. 90** Third Revised Sheet No. 90  
Superseding: Second Revised Sheet No. 90

GENERAL TERMS AND CONDITIONS

13.2 Resolution of Monthly Imbalances (cont'd)

Transporter will use the weekly postings published during the month within the following parameters. The first weekly posting to be used will be the first issue of NGI Price Index published during the month. The last weekly posting to be used will be the last issue of said publication published no later than two (2) Business Days prior to the nomination deadline set forth in Section 11 above for the first day of the following month.

In the event NGI or the "South Louisiana Region, Tennessee Line 500" posting contained therein is discontinued, Transporter will revise this subsection 13.2(e) to substitute another price index generally reflective of a gas price at the Delivery Points.

(g) The provisions of Section 14 shall apply to payments due pursuant to this section.

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FERC Docket: RP10-594-000

**Third Revised Sheet No. 91** Third Revised Sheet No. 91  
Superseding: Second Revised Sheet No. 91

GENERAL TERMS AND CONDITIONS

14. BILLING AND PAYMENT

14.1 Billing:

Subject to the provisions of the applicable Rate Schedule and Section 12 of these General Terms and Conditions, Transporter shall, on or before the ninth (9th) Business Day after the end of the month, render to Shipper a statement of the daily volumes and the Btu content of the gas received for the account of Shipper for transportation, the daily volumes and the Btu content of the gas delivered to or for the account of Shipper, and the amount of lost-and-unaccounted-for gas allocated to Shipper in the preceding month. As used in this Section 14, "render" shall mean the provision by Transporter of a time-stamped statement and/or invoice downloadable from its Interactive Internet Website unless the Shipper has elected to have invoices rendered via U.S. mail. Transporter shall provide email notification to Shipper's designated email address, when invoices and statements are finalized and rendered. Further, Transporter shall post a notice to its Interactive Internet Website when such documents are finalized. Transporter may furnish separate statements to Shipper that include an account of any credits and/or penalty charges accrued by Shipper. Billing units will be stated in Dekatherms. Transportation invoices will state the net billing rate.

14.2 Payment:

Billing statements shall be deemed to be received by each Shipper within three (3) Business Days after the date they are mailed by Transporter or the timestamp of the electronic notice of the finalized statements. Shipper shall make payments to Transporter for the services performed or charges levied hereunder during the preceding calendar month by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method), at such address as Transporter may hereafter designate, no later than ten (10) days after Shipper's receipt of the billing statement. Any amount due Shipper from Transporter shall be paid in a like manner. All payments made by Shipper shall include Transporter's invoice number(s) and supporting documentation for purposes of matching the payment to the invoice. If payment differs from 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.

*Effective Date: 05/01/2001 Status: Effective*

*FERC Docket: RP01-302-001*

**First Revised Sheet No. 91A** First Revised Sheet No. 91A : Effective

Superseding: Original Sheet No.91A

GENERAL TERMS AND CONDITIONS

14.3 Interest on Unpaid or Overpaid Amounts:

Should Shipper fail to pay any amount when due, or if found to have paid in excess of the amount ultimately due pursuant to the resolution of a Good Faith Dispute (overpaid amount), interest on the unpaid or overpaid amount shall accrue at a rate equal to the lesser of the rate then set forth in Section 154.501 of the Commission's Regulations or the highest amount allowed by law from the date payment was due, pursuant to Section 14.2, or made until payment to Transporter or refund to Shipper is made.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97-310-002

**First Revised Sheet No. 92** First Revised Sheet No. 92 : Effective  
Superseding: Original Sheet No. 92

GENERAL TERMS AND CONDITIONS

14.4 Failure to Pay:

If, except in the case of a Good Faith Dispute, Shipper fails to make payment to Transporter pursuant to Section 14.2, and such failure to make payment continues for twenty (20) days or more, Transporter may suspend the further transportation of gas under Shipper's Transportation Agreements upon ten (10) days' prior written notice to Shipper, and the Commission, but the exercise of such right shall be in addition to any other remedy available to Transporter.

14.5 Good Faith Dispute:

If Shipper, in good faith, disputes the amount due Transporter on a billing statement, Shipper shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due Transporter. Transporter shall apply such payment in accordance with Shipper's documentation. Shipper agrees that Transporter's acceptance of a partial payment does not waive Transporter's right to full payment after resolution of the disputed invoice in the future. Shipper and Transporter shall use all reasonable efforts to resolve the dispute; provided, however, if the resolution of the Good Faith Dispute results in Shipper owing Transporter an additional amount, then the provisions of Section 14.3 shall apply from the date payment was due, pursuant to Section 14.2, until payment of the additional amount is made. The provisions of Section 14.6 shall not apply in the case of a Good Faith Dispute.

14.6 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Transporter may require as a condition to the continuance or recommencement of transportation services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for transportation services.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-310-002

**Original Sheet No. 92A** Original Sheet No. 92A : Effective

GENERAL TERMS AND CONDITIONS

14.7 Prior Period Adjustments:

In the event an error is discovered in any invoice rendered by Transporter for Transportation Service Agreements executed after June 1, 1997, Shipper must contest such amount in writing within six months from the date invoice was rendered, with a three month rebuttal period, otherwise the invoice will be deemed correct. These time limits do not apply in the case of government required rate changes or 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 provision.

**Third Revised Sheet No. 93** Third Revised Sheet No. 93  
Superseding: Second Revised Sheet No. 93

GENERAL TERMS AND CONDITIONS

15. OPERATIONAL FLOW ORDERS

15.1 General

Transporter shall have the right to issue operational flow orders (OFO) as specified in this Section 15 which require actions by the Shippers in order to alleviate conditions which threaten the integrity of Transporter's Facility, to maintain pipeline operations at the pressures required to provide an efficient and reliable transportation service to all Shippers, and to maintain Transporter's Facility in balance for the foregoing purposes. Before issuing an OFO, Transporter will attempt to identify specific Shippers causing a problem and attempt to remedy those problems with those Shippers. If an OFO is issued by Transporter pursuant to this Section 15, Transporter shall not be required to curtail or suspend service to a Shipper(s) whose current use of Transporter's Facility mitigates the operating conditions on which the OFO is based regardless of the class of service utilized by that Shipper(s). Shipper's response to any specified gas quantities provision contained in an OFO shall be subject to the provisions of Section 15.2 to the extent that the actual quantities of gas involved in Shipper's response to the OFO are greater than one hundred and five (105) percent or less than ninety-five (95) percent of the specified gas quantities provision contained in the OFO.

15.2 Penalty

(a) All quantities tendered to Transporter and/or taken by Shipper(s) on a daily basis in violation of Transporter's OFO shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth shall be assessed and paid by Shipper(s).

(b) Penalty Crediting: Net penalties shall be credited back to shippers that complied with the OFO (compliant shippers). Transporter's out-of-pocket expenses incurred or revenues foregone as a direct result of the OFO violation(s) shall reduce any penalties collected to determine the net penalty amount to be credited. The net penalty amount shall be credited to the second month's invoice from the month of collection and shall be credited based on the pro rata share of transportation revenue reflected on each compliant shipper's invoice for the month of the OFO violation. If direct expenses or foregone revenues are greater than the penalty collected no crediting shall occur.

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**Third Revised Sheet No. 94** Third Revised Sheet No. 94  
Superseding: Second Revised Sheet No. 94

GENERAL TERMS AND CONDITIONS

15. OPERATIONAL FLOW ORDERS

15.3 Exemptions

A reasonable make-up period will be allowed to correct OFO created imbalances based on the then current operations of Transporter's Facility. Upon an OFO becoming effective as specified in the OFO or as provided in this Section 15.3, Shipper or operator of the facilities connecting with Transporter's facilities shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of Transporter's Facility, to make adjustments in compliance with the OFO. If Shipper complies with the provisions of the OFO within such notice period then no penalty pursuant to Section 15.2 shall be assessed. Shippers will be exempt from penalties caused solely by Transporter's failure to receive scheduled quantities at a Receipt Point or to deliver scheduled quantities to a Delivery Point, the provisions of Section 6 being applicable. Shippers will be exempt from penalties caused solely by the application of the provisions of Section 12.

15.4 Notices

Transporter will post to its Internet Web Site its intention to place an OFO into effect and notify the affected Shipper(s) at least 24 hours prior to the implementation of the OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of Transporter's Facility. Such notice and posting shall (i) identify the parties subject to the OFO, (ii) the time the OFO will become effective, (iii) the estimated duration of the OFO (or, if unknown, that the OFO is indefinite) and justification for the OFO (i.e., the triggering tariff provision which is the basis for the OFO). Where an OFO is made effective on less than 24 hours notice, Transporter will also provide the Commission with a detailed explanation with all relevant information specific to the individual situation to justify issuance of that particular OFO. Whenever an OFO requires action in less than 72 hours, Transporter will provide prompt notice to the affected Shippers via email or direct notification to their Internet URL address, as well as by posting on its Internet Web Site. Within a reasonable period of time following the conclusion of the OFO, Transporter will post a report on its Internet Web Site describing the conditions that required the issuance and termination of the OFO.

GENERAL TERMS AND CONDITIONS

15.5 Conditions

- (a) If in Transporter's judgment, impending operating conditions will cause the operating pressure at one or more Receipt Points to exceed the provisions of Section 6.1 herein, or the operating pressure at one or more Delivery Points to decrease below the provisions of Section 6.2 herein, Transporter may issue an OFO pursuant to this subsection requiring that all Shippers adjust the gas quantities or adjust the nominations at the Receipt and Delivery Points under all Transportation Service Agreements to be in balance (considering Shipper's pro-rata share of lost-and-unaccounted-for gas) effective the earliest opportunity that Shippers have in their control to effect gas quantities at either Receipt Points or Delivery Points. Transporter shall use all available opportunities in its control to effect gas quantities at either Receipt Points or Delivery Points in support of Shipper's actions pursuant to the OFO and to mitigate the adverse effects on Transporter's Facility.
- (b) Transporter may issue, on a nondiscriminatory basis, such other reasonable OFOs as may be required for the purposes set forth in Section 15.1 herein.
- (c) Compliance with the OFOs and the other terms and conditions of Transporter's FERC Gas Tariff is essential to Transporter's ability to provide deliveries and services under all Rate Schedules. A failure by one or more Shippers to comply with an OFO may affect Transporter's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except to the extent Transporter's inability to provide such deliveries and services arose from the Transporter's sole, joint, or concurrent negligence, or gross

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FERC Docket: CP96-678-001

**Original Sheet No. 96** Original Sheet No. 96 : Effective

GENERAL TERMS AND CONDITIONS

negligence, or undue discrimination, or intentional or willful misconduct, have no liability or responsibility for its inability to provide deliveries and services and Shipper(s) to the extent such Shipper's failure to comply with Transporter's FERC Gas Tariff and in particular the provisions of this Section 15 resulted in the inability of Transporter to provide deliveries and services shall indemnify and hold Transporter harmless from any claims brought by a third party against Transporter arising from such failure except that Shipper(s) shall not be responsible for any incidental, consequential, punitive or special damages, including lost profits resulting therefrom.

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FERC Docket: CP96-678-001

**Original Sheet No. 97** Original Sheet No. 97 : Effective

GENERAL TERMS AND CONDITIONS

16. PENALTY WAIVERS

In recognition of the fact that each penalty provision in this FERC Gas Tariff is intended to promote conscientious operations by the Shipper such that service to other Shippers is not impaired in any way, Transporter may waive any penalty charges incurred by Shipper if Transporter determines, in its reasonable judgment, that Shipper was conducting its operations in a responsible manner at the time the penalty charges were incurred and that Shipper's conduct did not impair service to another Shipper. Transporter must grant waivers under this section on a non-discriminatory basis, but the waiver of any penalty charges shall not constitute an automatic waiver of any future penalty charges.

Transporter shall maintain a record of all waivers granted under this Section 16 and shall make such record available upon request to the Commission and to any Shipper.

**Fourth Revised Sheet No. 98** Fourth Revised Sheet No. 98  
Superseding: Third Revised Sheet No. 98

GENERAL TERMS AND CONDITIONS

17. NOTICES

17.1 General Notices:

Except as provided otherwise in this Tariff or the Service Agreement, operational and other communications may be made by a posting on Transporter's Interactive Internet Website as provided in Section 21 hereof and by email or other mutually agreeable means without subsequent written confirmation, unless written confirmation is requested by either party hereto. Any notice, request, demand, statement or other formal communication shall only be deemed given when delivered by first class, certified or registered U.S. mail, overnight delivery, courier, facsimile, email or postings on Transporter's Internet Web Site. Such delivery shall: (a) be sent to Transporter at the address specified in the Service Agreement, or through the Interactive Internet Website, or at an address otherwise stated in a notice by Transporter to Shipper; and (b) be sent to Shipper at the address in the Service Agreement, through the Interactive Internet Website or at an address otherwise stated in a notice by Shipper to Transporter.

17.2 Dispatching Notices:

(a) All notices concerning the daily nomination and confirmation of gas supplies for transportation shall be provided via Transporter's Internet Web Site.

(b) All notices concerning the limitation or interruption of the transportation of gas supplies or other similar matters concerning the dispatching of gas which would be effective within 72 hours of the notice shall be provided via Transporter's Internet Web Site. Confirmations shall be given via email or direct notification to the party's Internet URL address, to be chosen by the affected party and posted on Transporter's Interactive Internet Website.

17.3 Critical Notices:

Critical Notices should be defined to pertain to information on transportation service provider conditions that affect scheduling or adversely affect scheduled gas flow. All Critical Notices will be sent via email to the email address(es) provided by Shipper and posted under "Critical Notices" on the Interactive Internet Website.

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FERC Docket: RP00-385-000

**Second Revised Sheet No. 99** Second Revised Sheet No. 99 : Effective  
Superseding: First Revised Sheet No. 99

GENERAL TERMS AND CONDITIONS

18. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS

The following provisions shall apply to FT-1 and FT-2 Transportation Service Agreements in effect prior to March 27, 2000, or, executed on or after March 27, 2000 for transportation service of one year or longer at the maximum rate.

18.1Capacity Posting

Transporter shall post on its Internet Web Site that capacity which will be available upon the termination of an applicable Transportation Service Agreement for the purpose of soliciting all bids for the further use of the capacity pursuant to the following schedule based on the effective termination date of the Transportation Service Agreement, whether such date is specified in the Transportation Service Agreement or in Transporter's notice of termination as provided for by such Transportation Service Agreement.

Term of TSA Yr.	Internet Web Site Posting Period, Days	Existing Shipper's Review Period, Days
* 1	15	5
* Greater than 1 & Less than or equal to 5	25	10
* Greater than 5	35	15
*		

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 1-000

**Fifth Revised Sheet No. 100** Fifth Revised Sheet No. 100 : Effective

Superseding: Fourth Revised Sheet No. 100

GENERAL TERMS AND CONDITIONS

#### 18.2 Bidding Procedure & Conditions

Each bidder for the firm capacity, or any part thereof, must submit its bid to Transporter in writing or through Transporter's Interactive Internet Website (with the appropriate service request form and any required prepayment under Rate Schedule FT-1 submitted to Transporter under separate cover) within the Internet Web Site posting period. Each bid shall contain the term for which the capacity is sought and the percentage of the maximum rate applicable to Rate Schedule FT-1 which the bidder is willing to pay for the capacity, not to exceed 100% of the maximum rate.

#### 18.3 Selection of Best Bid(s)

If Transporter receives one or more bids for the capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, which represent the largest present value of the product of capacity and rate contained in each bid; provided, however, that Transporter reserves the right to reject any bid which is for less than 100% of the maximum rate applicable to Rate Schedule FT-1 or FT-2.

#### 18.4 Existing Shipper's Review

Transporter will notify the party(ies) who submitted the best bid(s) that their best bid(s) is subject to Existing Shipper's review and post notice of the best bid(s) on its Internet Web Site. Transporter will notify Existing Shipper of the best bid(s) received, and Shipper shall have the time period specified in the above schedule (Existing Shipper's Review Period) within which it must match the rate and contract term offered in the best bid(s) in order to retain its firm capacity.

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FERC Docket: RP04- 1-000

**Third Revised Sheet No. 101** Third Revised Sheet No. 101 : Effective  
Superseding: Second Revised Sheet No. 101

GENERAL TERMS AND CONDITIONS

18.5 Continued/New Service

- (a) If Shipper elects to match the best bid ,  
Transporter and Shipper will enter into a new  
Transportation Service Agreement(s) reflecting the  
terms of the best bid(s). Transporter will notify  
the party(ies) who submitted the best bid(s) that  
Shipper has elected to match the best bid(s) and  
will post notice of such on its Internet Web Site.
  
- (b) If Shipper elects not to match the best bid(s),  
Shipper's existing Transportation Service  
Agreement will be subject to pregranted  
abandonment upon its effective termination date  
and Transporter will enter into a new  
Transportation Service Agreement(s) of even date  
with the party or parties offering the best bid(s)  
which shall reflect the conditions of the best  
bid(s). Transporter will post notice of the above  
on its Internet Web Site.

18.6 Refund of Prepayment

Transporter shall refund to all parties whose bids were  
either rejected by Transporter or superseded by  
Shipper's election to match the best bid(s) the entire  
amount of the required prepayment within thirty (30)  
days of the earlier of (a) Transporter's rejection of  
their bid(s) pursuant to Section 18.3 or (b)  
Transporter's receipt of Shipper's notice of its  
election pursuant to subsection 18.5(a).

18.7 No Best Bid(s)

In the event Transporter does not receive any bids for  
Shipper's capacity or any bids which are acceptable to  
Transporter, Shipper shall have the right to retain its  
firm capacity at the maximum rate applicable thereto,  
or any discount agreed to by Transporter, for an  
additional term as requested by Shipper. If Shipper  
refuses to renew its Transportation Service Agreement  
at the maximum rate, absent an agreement by Transporter  
to discount, said Transportation Service Agreement  
shall be subject to pregranted abandonment on the  
effective date of termination.

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**Original Sheet No. 102** Original Sheet No. 102 : Effective

GENERAL TERMS AND CONDITIONS

18.8 Shipper's Notice of Termination

If Shipper gives notice to terminate its Transportation Service Agreement pursuant to the provisions contained therein, said agreement shall be subject to pregranted abandonment on the effective date of Shipper's termination notice and the above provisions of this Section 18 shall not apply.

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**First Revised Sheet No. 103** First Revised Sheet No. 103 : Effective  
Superseding: Original Sheet No.103

GENERAL TERMS AND CONDITIONS

19. SHIPPERS RELEASE OF FIRM CAPACITY

19.1 General:

This Section 19 sets forth the sole means by which a Shipper under Rate Schedule FT-1 ("RELEASING SHIPPER"), pursuant to the Commission's Regulations, or a Shipper under Rate Schedule FT-2, may release its firm capacity rights under a Transportation Service Agreement with the Transporter to a third party ("ACQUIRING SHIPPER"). The provisions of Section 19 pertain solely to release of firm capacity rights under FT-1 or FT-2 Transportation Service Agreements (TSA).

For a period ending September 30, 2002, unless extended by the Commission, Section 19.10 overrides designated provisions within this section.

19.2 Capacity Eligible For Release:

A Shipper with a TSA may release firm capacity pursuant to this Section 19.

19.3 Types of Releases:

- (a) Permanent Release: A RELEASING SHIPPER may release all or part of its firm capacity under a TSA for the entire remaining term of the TSA ("Permanent Release") pursuant to the provisions of this Section 19. A Permanent Release is an assignment of capacity and any associated rights of the RELEASING SHIPPER under Section 18 hereof for avoiding pregranted abandonment. Therefore, the ACQUIRING SHIPPER must meet Transporter's requirements related to creditworthiness set forth in Rate Schedules FT-1 or FT-2. The ACQUIRING SHIPPER shall be required to execute a separate TSA for the released capacity at the maximum rate applicable to and for the primary term remaining under the RELEASING SHIPPER's TSA, unless Transporter agrees otherwise in a nondiscriminatory manner. Furthermore, the ACQUIRING SHIPPER must contract for the Primary Receipt and Delivery Points specifically set forth in a RELEASING SHIPPER's Offer of firm capacity under subsection 19.6(a). The ACQUIRING SHIPPER then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 19. Upon the successful completion of a Permanent Release, the RELEASING SHIPPER shall be

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**Second Revised Sheet No. 104** Second Revised Sheet No. 104  
Superseding: First Revised Sheet No. 104

GENERAL TERMS AND CONDITIONS

responsible only for those charges under its TSA incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for firm capacity not released on a permanent basis.

(b) Temporary Release: A RELEASING SHIPPER may release all or part of its firm capacity under a TSA for a term less than the remaining term of the TSA ("Temporary Release"), pursuant to one of the following methods and the further provision of this Section 19.

(i) Firm Temporary Release: A RELEASING SHIPPER may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in subsection 19.3 (c) The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month. No rate cap applies to releases of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which the pipeline is notified of the release.

(ii) Temporary Release Subject to Recall: Subject to the provisions of Section 19.4, a RELEASING SHIPPER may temporarily release firm capacity subject to a right of recall by the RELEASING SHIPPER upon the occurrence of the condition precedent specified in the RELEASING SHIPPER's Offer under subsection 19.6(c). The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to recall offered for more than one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month.

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**Fourth Revised Sheet No. 105** Fourth Revised Sheet No. 105  
Superseding: Third Revised Sheet No. 105

GENERAL TERMS AND CONDITIONS

19. SHIPPERS RELEASE OF FIRM CAPACITY

19.3 Types of Releases (cont'd):

(c) Secondary Release of Firm Capacity: An ACQUIRING SHIPPER who has acquired firm capacity hereunder on a temporary basis subject to that option being part of the RELEASING SHIPPER's Offer, may subsequently release the capacity it has acquired, as set forth on the Addendum to its Form of Service Agreement for Temporary Release of Firm Transportation Capacity, in accordance with the terms of this Section 19 ("Secondary Release"), thereby becoming a RELEASING SHIPPER. That RELEASING SHIPPER shall provide the original RELEASING SHIPPER the name, telephone number and facsimile number of a contact party of the ACQUIRING SHIPPER. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the RELEASING SHIPPER. Furthermore, to the extent that a RELEASING SHIPPER acquired firm capacity subject to a right of recall, the capacity then released by the RELEASING SHIPPER, and any subsequent Secondary Release of the capacity thereafter, shall also be subject to the right of recall.

(d) Prearranged Release of Firm Capacity:

(i) A RELEASING SHIPPER who wishes to release its firm capacity on a prearranged basis to a third party (ACQUIRING SHIPPER) for a term of 31 days or less may do so without posting-for-bidding on Interactive Internet Website the terms of the Prearranged Release. The minimum term for such release shall be one (1) contract day and the term must be for consecutive number of days within the same calendar month. Transporter shall post on its Internet Web Site the terms of the prearranged release by 9:00 a.m. CCT on the day of nomination.

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**Third Revised Sheet No. 105A** Third Revised Sheet No. 105A  
Superseding: Second Revised Sheet No. 105A

GENERAL TERMS AND CONDITIONS

19. SHIPPERS RELEASE OF FIRM CAPACITY

19.3(d) Prearranged Release of Firm Capacity (cont'd):

(ii) A RELEASING SHIPPER who wishes to temporarily release its firm capacity on a prearranged basis to a third party for a period in excess of 31 days at a rate less than the maximum filed rate for the respective Rate Schedule shall post or have posted on Transporter's Internet Web Site the terms and provisions under which the firm capacity is proposed to be released for the purpose of soliciting competitive bids. The minimum term of the release shall be for a consecutive number of days greater than 31 days.

(iii) An open season is not required for: (a) a Prearranged Release for the maximum charge applicable to the capacity being released provided that the release term is more than one Year; (b) a Short-term Prearranged Release (31 Days or less; (c) a release to an asset manager (AMA), as defined by FERC regulations at 18 CFR 284.8; or (d) releases to a marketer participating in a state-regulated retail access program), as defined by FERC regulations at 18 CFR 284.8.

**Seventh Revised Sheet No. 106** Seventh Revised Sheet No. 106  
Superseding: Sixth Revised Sheet No. 106

GENERAL TERMS AND CONDITIONS

19. SHIPPERS RELEASE OF FIRM CAPACITY

19.3(d) Prearranged Release of Firm Capacity (cont'd)

(iv) Once the term of a release under subsection 19.3(d)(i) has expired, the RELEASING SHIPPER cannot rollover, extend or in any way continue a release of capacity to the same ACQUIRING SHIPPER under subsection 19.3(d)(i) until twenty-eight (28) days or more has elapsed since the termination of such release, with the exception of releases to an AMA or to a participant in a state-approved retail access program.

(v) Except as provided herein, all terms and conditions applicable to release of firm capacity under Transporter's Gas Tariff shall apply to any prearranged release of firm capacity.

19.4 Recall Rights Under a Temporary Release, subject to Recall:

(a) A RELEASING SHIPPER has the right to define the conditions(s) precedent which will result in a recall of the released firm capacity; provided, however, that such condition(s) shall not be inconsistent with the terms and conditions of the RELEASING SHIPPER'S TSA or with the provision of Transporter's FERC Gas Tariff and NAESB WGQ Standards incorporated by reference herein. Furthermore, the recall conditions specified by the RELEASING SHIPPER must be nondiscriminatory and identifiable events.

(b) A RELEASING SHIPPER may, to the extent permitted as a condition of the capacity release, recall released capacity by providing notice to the Transporter and ACQUIRING SHIPPER (and all subsequent ACQUIRING SHIPPERS) by the following times:

(i) Timely Recall Notification:

(a) A RELEASING SHIPPER recalling capacity should provide notice of such recall to Transporter and the first ACQUIRING SHIPPER no later than 8:00 a.m. on the day that Timely Nominations are due;

(b) Transporter should provide notification of such recall to all affected ACQUIRING SHIPPERS no later than 9:00 a.m. on the day that Timely Nominations are due (Central Clock Time);

GENERAL TERMS AND CONDITIONS

(ii) Early Evening Recall Notification:

- (a) A RELEASING SHIPPER recalling capacity should provide notice of such recall to Transporter and the first ACQUIRING SHIPPER no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) Transporter should provide notification of such recall to all affected ACQUIRING SHIPPERS no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iii) Evening Recall Notification:

- (a) A RELEASING SHIPPER recalling capacity should provide notice of such recall to Transporter and the first ACQUIRING SHIPPER no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) Transporter should provide notification of such recall to all affected ACQUIRING SHIPPERS no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iv) Intraday 1 Recall Notification:

- (a) A RELEASING SHIPPER recalling capacity should provide notice of such recall to Transporter and the first ACQUIRING SHIPPER no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
- (b) Transporter should provide notification of such recall to all affected ACQUIRING 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 Notification:

- (a) A RELEASING SHIPPER recalling capacity should provide notice of such recall to

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**Third Revised Sheet No. 107** Third Revised Sheet No. 107 : Effective  
Superseding: Second Revised Sheet No. 107

GENERAL TERMS AND CONDITIONS

Transporter and the first ACQUIRING SHIPPER no later than 2:30 p.m. on the day that Intraday 2 Nominations are due;

- (b) Transporter should provide notification of such recall to all affected ACQUIRING SHIPPERS no later than 3:30 p.m. on the day that Intraday 2 Nominations are due (Central Clock Time).
- (c) The recall notification provided to Transporter should be expressed in terms of the total released capacity entitlement that is the subject of the recall.
- (d) In the event of an intra-day capacity recall, Transporter will determine the allocation of capacity between the RELEASING SHIPPER and the ACQUIRING SHIPPER(s) based upon the Elapsed Prorata Capacity (EPC). Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.
- (e) Transporter has the right to rely on a RELEASING SHIPPER'S notice and a RELEASING SHIPPER shall defend and indemnify Transporter against any claims, losses, liabilities or expenses resulting from claims by any ACQUIRING SHIPPER that it was not notified or that firm capacity was not recalled in accordance with the recall rights specified by the RELEASING SHIPPER in its Offer.
- (f) If recall is subject to reput and time remains in the term for which the firm capacity was temporarily released, the capacity shall revert back to the last ACQUIRING SHIPPER either on the date previously specified in the Offer or upon notice given by the RELEASING SHIPPER by 8:00 a.m. CCT on nomination day

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**First Revised Sheet No. 107A** First Revised Sheet No. 107A : Effective  
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GENERAL TERMS AND CONDITIONS

provided that the reput shall be effective as of the start of a day and must be for a term of at least one full day. When capacity is recalled it may not be reput for the same gas day. If following the recall, no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the RELEASING SHIPPER for either its continued utilization or for release again pursuant to this Section 19.

- (g) Recalls or reputs on a non-Business Day: The RELEASING SHIPPER recalling or reputting capacity on a non-Business Day must provide notice to Transporter and the first ACQUIRING SHIPPER at least one hour prior to the notice deadline for the applicable nomination cycle provided for in this section. The notice to Transporter must be telephonic to Transporter's Gas Control Center (1-877-548-1800). Transporter should provide telephonic notification of such recall or reput to all affected ACQUIRING SHIPPERS by the applicable nomination cycle deadline.

19.5 SHIPPER'S Obligations:

- (a) ACQUIRING SHIPPER: To bid on capacity offered under one of the types of Temporary Releases set forth in subsection 19.3(b), the bidder must be pre-approved for credit and have executed a Form of Service Agreement for Temporary Releases of Firm Transportation Capacity (Temporary Release Agreement), as more particularly set forth in subsection 19.6(e). To bid on capacity for a Permanent Release under subsection 19.3(a), the bidder must be pre-approved for credit and have submitted an executed Transportation Service Request Form, as more

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**First Revised Sheet No. 108** First Revised Sheet No. 108 : Effective  
Superseding: Original Sheet No. 108

GENERAL TERMS AND CONDITIONS

particularly set forth in subsection 19.6(e). Any bid submitted cannot be withdrawn after the end of the bid period, and any bid not withdrawn will legally bind the bidder to the terms of the bid if Transporter chooses such bid as the "best bid" under subsection 19.6(i). Once a bid on an Offer for a Permanent Release of capacity under subsection 19.3(a) is accepted, the ACQUIRING SHIPPER shall execute a separate FT-1 or FT-2 Transportation Service Agreement by 10:00 a.m. CCT the day of nomination to utilize the capacity under the terms set forth in the best bid and the terms and conditions of Transporter's FERC Gas Tariff applicable to the capacity released. Before an ACQUIRING SHIPPER may execute a Temporary Release Agreement with Transporter to utilize released firm capacity, the ACQUIRING SHIPPER must satisfy all of Transporter's requirements relating to Rate Schedule FT-1 and/or FT-2. Once a bid on an Offer for a Temporary Release of capacity under subsection 19.3(b) is accepted, the ACQUIRING SHIPPER agrees that the Addendum to its Temporary Release Agreement provided by Transporter by 10:00 a.m. CCT on the day of nomination shall be binding and no further execution thereof shall be required. Once the ACQUIRING SHIPPER executes its FT-1 or FT-2 Transportation Service Agreement resulting from a Permanent Release or Transporter provides the ACQUIRING SHIPPER an Addendum to its Temporary Release Agreement the ACQUIRING SHIPPER becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's FERC Gas Tariff, including but not limited to Transporter's billing and payment and operational provisions.

- (b) **RELEASING SHIPPER:** The RELEASING SHIPPER shall remain fully liable under its existing TSA for the payment of all reservation charges for the contract quantity which has not been released, associated surcharges, fixed charges, and direct bills owing to Transporter each month under the existing TSA, as well as for services performed for or penalties incurred by the RELEASING SHIPPER under its TSA with respect to any remaining capacity thereunder.

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FERC Docket: RP00-272-000

**Third Revised Sheet No. 109** Third Revised Sheet No. 109 : Effective  
Superseding: Second Revised Sheet No. 109

GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures:

- (a) Offer of Firm Capacity: A Shipper desiring to release firm capacity pursuant to Section 19.3 shall post or have posted on Transporter's Internet Web Site, in accordance with timelines in Section 19.9 utilizing the Form of Capacity Release, a complete offer of firm capacity (herein called "Offer") except as provided otherwise in subsection 19.3(d). Transporter shall date and time stamp all Offers as they are received unless the RELEASING SHIPPER specifies a time and date for its Offer to be posted. In such event, Transporter shall post the Offer at the time specified by the RELEASING SHIPPER, provided that such time does not conflict with the deadlines set forth in Section 19.9. The RELEASING SHIPPER agrees that its posted Offer specifically is subject to the following conditions:
  - (i) In the event two or more RELEASING SHIPPERS wish to combine Offers of capacity into one Offer, the capacity must be released for the same term and under the same conditions, and each RELEASING SHIPPER, prior to the posting of such an Offer, must notify Transporter in writing or through Transporter's Interactive Internet Website of the appointment of the same agent for purposes of submitting a joint Offer.
  - (ii) Once a RELEASING SHIPPER's Offer is posted, it is considered binding and it may not be withdrawn by the RELEASING SHIPPER during the term of the posting period except where unanticipated circumstances justify the withdrawal of the Offer and no minimum bid has been posted.

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FERC Docket: RP97-310-002

**Original Sheet No. 109A** Original Sheet No. 109A : Effective

GENERAL TERMS AND CONDITIONS

- (iii) A RELEASING SHIPPER should not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.
- (b) Minimum Posting Period: A RELEASING SHIPPER's Offer shall be posted for a period to be established by the RELEASING SHIPPER in its Offer subject to the minimum requirements pursuant to Section 19.9.

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**First Revised Sheet No. 110** First Revised Sheet No. 110 : Effective  
Superseding: Original Sheet No. 110

GENERAL TERMS AND CONDITIONS

- (c) RELEASING SHIPPER's Offer: A RELEASING SHIPPER's Offer shall be considered complete, inter alia, if the following standard information is included:
- (1) the name of the RELEASING SHIPPER, and the name, telephone number and facsimile number of a contact party for the RELEASING SHIPPER;
  - (2) the contract number(s) of the RELEASING SHIPPER's Service Agreement(s);
  - (3) whether the release is permanent or temporary;
  - (4) if a temporary release,
    - (i) whether the release is firm or subject to a right of recall;
    - (ii) if subject to recall, the identifiable conditions(s) precedent upon which the recall right will be asserted;
    - (iii) if subject to recall, whether the reservation charge paid by the ACQUIRING SHIPPER is to be pro rated for any days on which the capacity is actually recalled;
    - (iv) if subject to recall, whether or not the RELEASING SHIPPER will reput the capacity to the acquiring Shipper at the end of the terms of the recall of capacity.
  - (5) the duration of the posting period for bids in accordance with Section 19.9;
  - (6) the numeric quantity of capacity per day to be released and whether bids for less than the full quantity offered are acceptable;

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**Original Sheet No. 110A** Original Sheet No. 110A : Effective

GENERAL TERMS AND CONDITIONS

- (7) the term of the release and whether bids for less than the full term offered are acceptable;
- (8) the Primary Delivery Points and the Primary Receipt Points at which capacity is offered;

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**Second Revised Sheet No. 111** Second Revised Sheet No. 111  
Superseding: First Revised Sheet No. 111

GENERAL TERMS AND CONDITIONS

(9) whether the offer is subject to a Prearranged Release, if so, the name of the prearranged ACQUIRING SHIPPER as well as whether the Prearranged Release is to an asset manager (and, if so, with what supply obligations) and/or whether the release is to a marketer participating in a state-regulated retail access program;

(10) any minimum acceptable reservation charge and whether the RELEASING SHIPPER will accept bids on the reservation charge converted to a volumetric rate basis;

(11) if bids on a volumetric rate basis are acceptable, whether the volume bid is a minimum daily throughput commitment for billing purposes, i.e. the ACQUIRING SHIPPER's monthly bill and the RELEASING SHIPPER's monthly credit will be no less than the volume bid multiplied by the volumetric rate bid multiplied by the number of days in the month that the release was in effect;

(12) whether bids may be submitted that are contingent on (i) the award of upstream or downstream capacity on another pipeline system, (ii) the success or failure of another bid for capacity on Transporter's Facility effective the same date/bid, or (iii) any other type of contingency specified in the Offer, and the deadline for removing any such contingencies.

(13) the economic criteria to be utilized by Transporter in determining the "best bid" (said criteria to be objectively stated, applicable to all bidders and nondiscriminatory); and

(14) a nondiscriminatory tie breaker to be utilized in determining the "best bid" in the event two or more bids generate equal revenues.

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FERC Docket: RP97-310-002

**Original Sheet No. 111A** Original Sheet No. 111A : Effective

GENERAL TERMS AND CONDITIONS

- (14) the economic criteria to be utilized by Transporter in determining the "best bid" shall be one of the following (i) highest rate, (ii) net revenue, or (iii) present value. If the RELEASING SHIPPER does not specify the criteria, Transporter shall use the Present Value Calculation as set forth in Section 19.6(i) herein to determine the best bid; and
- (15) a nondiscriminatory tie breaker to be utilized in determining the "best bid" in the event two or more bids generate the same result.

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**Fifth Revised Sheet No. 112** Fifth Revised Sheet No. 112  
Superseding: Substitute Fourth Revised Sheet No. 112

GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures (cont'd):

The following information shall be supplied by Transporter with each Offer: (i) the maximum reservation charge (and reservation surcharges) applicable to the capacity being released, (ii) the maximum reservation charge (and reservation surcharges) converted to a 100% load-factor volumetric rate if Offer allows bids on a volumetric rate basis, (iii) the date and time the Offer was posted on the Internet Web Site, and (iv) the date and time the bid period ends.

(d) Prearranged Release: A RELEASING SHIPPER must identify in its Offer any prearranged ACQUIRING SHIPPER. Such ACQUIRING SHIPPER must meet all of the requirements established for bidders pursuant to subsection 19.6(e) and the prearranged ACQUIRING SHIPPER shall submit its bid, if required, in accordance with subsections 19.6(f)-(g). If the prearranged ACQUIRING SHIPPER tenders a bid for the offered capacity which is (a) a Prearranged Release for the maximum charge applicable to the capacity being released provided that the release term is more than one Year; (b) a Short-term Prearranged Release (31 days or less; (c) a release to an asset manager (AMA), as defined by FERC regulations at 18 CFR 284.8; or (d) releases to a marketer participating in a state-regulated retail access program), as defined by FERC regulations at 18 CFR 284.8, for the full capacity and term offered by the RELEASING SHIPPER and satisfies all of the requirements of subsections 19.6(e)-(g), that bid shall be deemed the best bid. Transporter shall post on its Internet Web Site by 9:00 a.m. CCT the day of nomination the identity of the prearranged ACQUIRING SHIPPER, and the terms upon which the capacity was released for informational purposes only. In all other situations, the prearranged ACQUIRING SHIPPER's bid shall constitute the minimum bid price for all other bidders, and shall be posted on the RELEASING SHIPPER's Offer as such. If Transporter does not receive any better bid meeting the essential terms of RELEASING SHIPPER's Offer by the end of the posting period, the prearranged ACQUIRING SHIPPER's bid shall be deemed the best bid. If Transporter does receive a better bid meeting the essential terms of RELEASING SHIPPER's Offer by the end of the posting period, the prearranged ACQUIRING SHIPPER shall have the right to match the terms of the better bid, provided the prearranged ACQUIRING SHIPPER gives notice to Transporter pursuant to Section 19.9 that it will match the essential terms of the better bid.

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**Third Revised Sheet No. 113** Third Revised Sheet No. 113 : Effective  
Superseding: Second Revised Sheet No. 113  
GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures

19.6(d) Prearranged Release (cont'd):

If the prearranged ACQUIRING SHIPPER's bid matches the better bid, the prearranged ACQUIRING SHIPPER shall be deemed to have made the best bid.

"Essential terms" for all purposes of Section 19.6 for bids or for the matching of any bid shall be determined solely by the RELEASING SHIPPER consistent with the terms posted by the RELEASING SHIPPER for such bids or the matching of any such bid. In the event of a dispute with respect to whether a bid has met the essential terms posted by RELEASING SHIPPER or whether prearranged ACQUIRING SHIPPER has matched a bid, Transporter shall bear no liability. Where a dispute arises with respect to a bid or a matching of a bid by a prearranged ACQUIRING SHIPPER, Transporter shall not be obligated to provide services with respect to any capacity to be released pursuant to the RELEASING SHIPPER's Offer to any party having submitted a bid or having attempted to match a bid until such dispute has been fully resolved. In this case the RELEASING SHIPPER shall remain liable to Transporter for all obligations under its transportation agreements including those associated with the capacity the RELEASING SHIPPER sought to release to the prearranged ACQUIRING SHIPPER until the dispute is, in the judgment of the Transporter, resolved.

Transporter shall post on its Internet Web Site the winning bid and the identity of the winning bidder pursuant to Section 19.9. In the event of a dispute with respect to such bid or the matching of such bid, Transporter shall indicate the existence of such dispute but shall not post the identity of the winning bidder until the dispute is fully resolved.

GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures

(e) Pre-qualified Bidder Requirements:

(i) All parties desiring to bid on firm capacity offered by a RELEASING SHIPPER must be pre-qualified by Transporter as creditworthy in order to be eligible to submit a bid on an Offer of released capacity. Unless Transporter agrees it has determined the bidder to be creditworthy or to have suitable credit on file with Transporter, the potential bidder must submit to Transporter the information set forth in Rate Schedules FT-1 or FT-2 to enable Transporter to determine the party's credit worthiness. A bidder's creditworthiness shall be assessed on the same basis as a Shipper's creditworthiness under the terms of Rate Schedules FT-1 or FT-2. If the potential bidder fails to demonstrate creditworthiness, the bidder may still be pre-qualified if it provides one of the credit alternatives set forth in Rates Schedule FT-1 or FT-2. If a party does not qualify as a pre-qualified bidder pursuant to this subsection 19.6(e), the party cannot bid on a RELEASING SHIPPER's Offer.

(ii) The Transporter should provide the original releasing shipper with Internet email notification reasonably proximate in time with any of the following formal notices given by the Transporter to the releasing shipper's replacement shipper(s), of the following:

(1) Notice to the replacement shipper regarding the replacement shipper's past due, deficiency, or default status pursuant to the Transporter's tariff;

(2) Notice to the replacement shipper regarding the replacement shipper's suspension of service notice;

(3) Notice to the replacement shipper regarding the replacement shipper's contract termination notice due to default or credit-related issues; and

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Superseding: First Revised Sheet No. 114A

GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures

(e) Pre-qualified Bidder Requirements:

(4) Notice to the replacement shipper that the replacement shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to the Transporter's tariff.

(iii) Prior to submitting a bid on a Permanent Release of capacity offered by a RELEASING SHIPPER, the bidder must submit to Transporter a valid Service Request Form for the released capacity on which the bidder intends to submit a bid.

(iv) Prior to submitting a bid on an Offer of Temporary Release of capacity, the bidder must request and execute a Temporary Release Agreement. The terms of each winning bid shall be set forth on an Addendum to the ACQUIRING SHIPPER's applicable Temporary Release Agreement.

(f) Bidding Procedures: All bids on a RELEASING SHIPPER's Offer, shall be transmitted electronically to Transporter on its Interactive Internet Website in accordance with the hours of operation, times and dates as set forth

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GENERAL TERMS AND CONDITIONS

19.6 Offer and Bid Procedures

19.6(f) Bidding Procedures (cont'd):

in Section 19.9. Transporter shall date and time stamp all bids as they are received and shall post complete bids on the Interactive Internet Website for the posting period pursuant to Section 19.9 the standard information provided in the bid pursuant to subsection 19.6 (g), except for the name of the bidder. A separate bid shall be submitted for each separate RELEASING SHIPPER's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis unless the Offer states that bids on a volumetric rate basis are acceptable. All bids on Temporary Releases of capacity must be for the specified Delivery and Receipt Points offered. The Delivery Points and Receipt Points awarded to the ACQUIRING SHIPPER under this Section 19 shall constitute the initial Exhibit A Receipt Points and Delivery Points to which the ACQUIRING SHIPPER is entitled under the TSA or temporary release agreement entered into with Transporter pursuant to these provisions. The ACQUIRING SHIPPER shall be allowed to add and/or delete Primary Delivery and Receipt Points in accordance with Section 5 of the General Terms and Conditions subject to available capacity.

(g) All bids shall be considered complete if, inter alia, the following information is included:

- (1) the bidder's name and the name, telephone number and facsimile number of a contact party for the bidder;
- (2) the Offer number and contract number(s) of the RELEASING SHIPPER's TSA on which the bid is being made;
- (3) the reservation charge bid per Dth stated in the number of decimal places as stated per Pipelines Rate Schedules for the released capacity or the reservation charge bid at a volumetric rate per Dth if allowed by the Offer; and computed in the manner specified by Offer;
- (4) whether the bidder is a prearranged ACQUIRING SHIPPER;

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FERC Docket: RP97-310-002

**First Revised Sheet No. 116** First Revised Sheet No. 116 : Effective  
Superseding: Original Sheet No. 116

GENERAL TERMS AND CONDITIONS

- (5) the term for which the bid is being made if the Offer allows bids on less than the term offered;
- (6) if the Offer allows bids on less than the full capacity offered, the transportation capacity requested at each Delivery and Receipt Point;
- (7) if allowed by the Offer, whether the bid is contingent on the award of capacity on an upstream or downstream pipeline system, the name of the pipeline and the bid number.
- (8) if other contingencies are allowed by the Offer, whether the bid is subject to one of the contingencies allowed by the Offer; and
- (9) the information required by Section 250.16(b)(2) of the Commission's Regulations to the extent necessary to allow Transporter to comply with its reporting/posting requirements under Section 250.16 to include the following:
  - (i) the specific affiliation of the bidder with Transporter, and the specific affiliation of the ACQUIRING SHIPPER with Transporter;
  - (ii) whether any of the gas to be transported through the acquired capacity is gas purchased from or sold to an affiliate of Transporter and, if so, whether the affiliated entity is selling the gas at a loss and how much the loss is per Dth;
  - (iii) the producing area of the source of the gas to be transported;
  - (iv) the state of the ultimate end-user of the gas

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**First Revised Sheet No. 117** First Revised Sheet No. 117 : Effective  
Superseding: Original Sheet No. 117

GENERAL TERMS AND CONDITIONS

A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must be equal to or higher than the bidder's previous bid(s).

- (h) Transporter's Initial Review: Upon receipt of all bids, Transporter shall engage in an initial review to determine whether a bid will be deemed eligible for consideration. Any bid deemed ineligible pursuant to this subsection 19.6(h) shall be eliminated from consideration. A bid shall be deemed ineligible if:
- (1) the bid (or bidder) does not comply with all of the terms and conditions and deadlines of this Section 19.
  - (2) the bid submitted exceeds the bidder's pre-approved credit term or limits; or
  - (3) the bid is for capacity at Delivery and Receipt Point(s) other than those points specified in the Offer; or
  - (4) the bid does not meet the minimum terms of the RELEASING SHIPPER's Offer; or
  - (5) the bid contains a contingency that is not allowed by the Offer or the bidder has not removed the contingency by the deadline set forth in the Offer.
- (i) The Best Bid Determination: All bids deemed to be eligible following Transporter's initial review pursuant to subsection 19.6(h) shall be reviewed in determining the best bid. The best bid shall be determined by Transporter pursuant to the economic criteria for determining the best bid set forth in the RELEASING SHIPPER's Offer. If the Offer does not specify the economic criteria,

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**First Revised Sheet No. 118** First Revised Sheet No. 118 : Effective  
Superseding: Original Sheet No. 118

GENERAL TERMS AND CONDITIONS

the eligible bids will be evaluated by Transporter by multiplying the price bid times the volume bid. Bids for a term of more than one (1) month that vary in price or term shall be discounted to present value based on currently effective Commission interest rates or such other published, objective financial measure as posted by Transporter in advance of the offer/bid cycle.

This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be determined to be the best bid. If the RELEASING SHIPPER's Offer allows the reservation charge to be bid on a volumetric rate basis as well as a reservation charge basis, for purposes of comparing a volumetric rate bid with a reservation charge bid to determine the best bid, Transporter shall assume that the firm transportation quantity requested under a volumetric rate bid will be transported each day of the release unless another calculation is specified in the Offer by the RELEASING SHIPPER.

The best bid as determined herein or pursuant to the economic criteria contained in the RELEASING SHIPPER's Offer shall be subject to the rights, if any, of a prearranged ACQUIRING SHIPPER to match the bid in accordance with subsection 19.6(d). In the event two or more bids are equivalent, they will be subject to the outcome of the tie breaker stipulated in the RELEASING SHIPPER's Offer as explained in subsection 19.6(j).

- (j) Tie Breaker: If there is a tie for the best bid, and there is no prearranged ACQUIRING SHIPPER who has agreed to match the best bid, the winning bid shall be determined by applying the tie breaker stipulated in the RELEASING SHIPPER's Offer. The RELEASING SHIPPER may specify one of the following

19.6 Offer and Bid Procedures

19.6(j) Tie Breaker (cont'd):

tie breakers or a different tie breaker so long as it is objective, nondiscriminatory and can be applied by Transporter. If the RELEASING SHIPPER fails to specify a tie breaker, Transporter shall award the bids, best bid first until all offered capacity is awarded, by applying the following tie breakers in the order shown, if necessary:

- (1) the bid generating the greatest present value of revenues over the shortest term;
  - (2) the bid submitted first in time as established by the Transporter's electronic date and time stamp.
- (k) Notification: Upon completion of the best bid determination, the party submitting the best bid, i.e. the ACQUIRING SHIPPER shall be notified by Transporter through its Interactive Internet Website and in writing. Transporter shall further notify all bidders through its Internet Web Site and in writing that a best bid has been accepted. Transporter shall provide the ACQUIRING SHIPPER an Addendum to its applicable Temporary Release Agreement which reflects the terms of the ACQUIRING SHIPPER's winning bid through its Internet Web Site and in writing. Transporter shall post on its Internet Web Site the details of the winning bid and the ACQUIRING SHIPPER's name by 5:00 p.m. CCT prior to the day before gas flow. Such notice shall stay on the Internet Web Site for at least thirty (30) days.
- (1) If no bids are submitted by the required deadline pursuant to Section 19.9, the RELEASING SHIPPER's Offer shall be removed from Transporter's Interactive Internet Website and the RELEASING SHIPPER notified that no bids were received.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 120** First Revised Sheet No. 120  
Superseding: Original Sheet No. 120

GENERAL TERMS AND CONDITIONS

19.7 Billing and Payment:

(a) An ACQUIRING SHIPPER shall be billed by Transporter and shall make payments to Transporter in accordance with the terms of its executed FT-1 or FT-2 Transportation Service Agreement or a Temporary Release Agreement. On the RELEASING SHIPPER's bill for a month in which it released capacity hereunder on a temporary basis, Transporter shall credit, subject to the terms of the RELEASING SHIPPER's TSA, all the reservation charge billed by Transporter to the ACQUIRING SHIPPER for the released capacity; provided, however, that in the event the ACQUIRING SHIPPER fails to pay Transporter for any part of the amount credited to the RELEASING SHIPPER's bill, Transporter reserves the right to reverse the credit on the RELEASING SHIPPER's bill in a later month up to the unpaid amount plus interest thereon calculated pursuant to Section 14.3. If the ACQUIRING SHIPPER fails to pay its reservation charges pursuant to the provisions of Section 14, the RELEASING SHIPPER shall have the right to recall its capacity by notifying the ACQUIRING SHIPPER and Transporter of such recall pursuant to the provisions of Section 19.4. All reservation charge credits to the RELEASING SHIPPER's bill shall be final and nonreversible upon Transporter's receipt of full payment therefor from the ACQUIRING SHIPPER.

(b) The ACQUIRING SHIPPER shall be obligated to pay Transporter the reservation and commodity rates, plus all associated volumetric surcharges, applicable to the volumes Transporter transports under the ACQUIRING SHIPPER's FT-1 or FT-2 Transportation Service Agreement or Temporary Release Agreement. Transporter will retain the transportation charges and associated volumetric surcharges it received from the ACQUIRING SHIPPER. If any of the charges billed to and paid by the ACQUIRING SHIPPER under its FT-1 or FT-2 Transportation Service Agreement or Temporary Release Agreement exceed the rate which the Commission determines to be just and reasonable and Transporter is ordered to make refunds, the ACQUIRING SHIPPER shall be eligible to receive refunds to the extent of any payments it made in excess of the rates the Commission subsequently determined to be just and reasonable.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Eighth Revised Sheet No. 121** Eighth Revised Sheet No. 121  
Superseding: Seventh Revised Sheet No. 121

GENERAL TERMS AND CONDITIONS

19.8 Offers to Acquire Firm Capacity:

Transporter agrees to post on its Internet Web Site at a party's request offers to purchase firm capacity on a permanent or temporary basis. Each offer will remain on the Internet Web Site for five (5) Business Days before it is removed, unless the requesting party notifies Transporter prior to the expiration of any five-day period that it wishes to extend the posting for an additional five (5) Business Days. All such parties must have met the Pre-qualified Bidder Requirements pursuant to subsection 19.6(e).

19.9 Timeline for Capacity Releases

The Capacity Release Timeline is applicable to all parties involved in the capacity release process; subject to the provision of this Section 19, if:

(1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release is tendered and

(2) there are no special terms or conditions to the release.

(a) For biddable releases (1 year or less):

- offers should be tendered by 12:00 P.M. on a Business Day;

- 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);

- evaluation period ends and award posting if no match required at 2:00 P.M.;

- match or award is communicated by 2:00 P.M.;

- match response by 2:30 P.M.;

- where match required, award posting by 3:00 P.M.;

- contract issued within one hour of award posting (with a new contract number, when applicable);

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*FERC Docket: RP09-328-000*

**Fourth Revised Sheet No. 121A** Fourth Revised Sheet No. 121A  
Superseding: Third Revised Sheet No. 121A

GENERAL TERMS AND CONDITIONS

nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(b) For biddable releases (more than 1 year):

- offers should be tendered by 12:00 P.M. four Business Days before award;

- 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);

- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;

- evaluation period ends and award posting if no match required at 2:00 P.M.;

- match or award is communicated by 2:00 P.M.;

- match response by 2:30 P.M.;

- where match required, award posting by 3:00 P.M.;

- 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)

Effective Date: 05/10/2010 Status: Effective

FERC Docket: RP10-594-000

**Fifth Revised Sheet No. 121B** Fifth Revised Sheet No. 121B

Superseding: Sub Fourth Revised Sheet No. 121B

GENERAL TERMS AND CONDITIONS

(c) For non-biddable releases:

Timely Cycle

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

- 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)

Evening Cycle

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

- 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)

Intraday 1 Cycle

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

- 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)

Intraday 2 Cycle

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

- 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)

(d) Non-biddable releases on non-Business Days: The RELEASING SHIPPER and the ACQUIRING SHIPPER must telephonically notify Transporter's Gas Control Center (1-877-548-1800)

*Effective Date: 11/01/2003 Status: Effective*

*FERC Docket: RP04- 1-000*

**Second Revised Sheet No. 121C** Second Revised Sheet No. 121C : Effective

Superseding: Sub First Revised Sheet No. 121C

GENERAL TERMS AND CONDITIONS

at least two hours before the initial nomination. Posting of the prearranged deal and contract issuance will occur by 9:00 A.M. on the following Business Day.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 122** First Revised Sheet No. 122  
Superseding: Original Sheet No. 122

GENERAL TERMS AND CONDITIONS

20. REQUESTS FOR ADDITIONAL FACILITIES/EXPANDED CAPACITY

20.1 Shipper may request, by use of the Service Request Form, the addition of facilities or expansion of Transporter's Facility to allow the requesting Shipper to deliver/receive specified gas quantities under an existing or new Transportation Service Agreement.

20.2 Transporter shall determine the following information in response to the above request:

(a) the estimated cost of constructing and installing the requested additional facilities or modifying existing facilities (new facilities costs) and an estimated time to accomplish such.

(b) assess the impact of the requested additional facilities or modified existing facilities on Transporter's ability to operate its system and continue to provide service pursuant to then existing Transportation Service Agreements.

20.3 Transporter shall transmit the above information in writing to the requesting Shipper.

20.4 If Transporter's assessment of the impact to its system is not negative, then based on the new facilities cost, if the requesting Shipper continues to desire to have the additional facilities added to Transporter's system or existing facilities modified, the requesting Shipper and Transporter shall then execute the documents required to implement the requested service - new or amended Transportation Service Agreement, amended Exhibit "A", etc., conditioned upon reaching agreement on terms and conditions satisfactory to each Transporter and Shipper in their individual sole judgment.

GENERAL TERMS AND CONDITIONS

- 20.5 If implementing the requested service and/or constructing, installing and operating the additional facilities would require Transporter to obtain additional authority from the Commission, Transporter shall file with the Commission to seek such authority. In such case, implementing the requested service is conditioned upon the Commission issuing the necessary authority to Transporter under terms and conditions satisfactory to both Transporter and the requesting Shipper in their individual sole judgment.
- 20.6 Transporter shall submit an invoice to the requesting Shipper in the amount of the new facilities cost. Shipper shall make payment to Transporter pursuant to the provisions of Section 14.2 of these General Terms & Conditions.
- 20.7 Transporter shall commence to construct and install the requested facilities or modify existing facilities upon receipt of the payment pursuant to Section 20.6.
- 20.8 Within ninety (90) days after commencing service for the requesting Shipper, Transporter shall determine the actual cost of constructing and installing the requested facilities. If the above cost is less than the new facilities cost paid by the requesting Shipper under Section 20.6, the difference shall be refunded to the requesting Shipper within thirty (30) days of such determination. If the above cost is more than the new facilities cost paid by the requesting Shipper under Section 20.6, the difference shall be paid to Transporter by the requesting Shipper within thirty (30) days of such determination.
- 20.9 Transporter shall have title to, own and operate all new facilities added to its system pursuant to this Section 20.

*Effective Date: 12/10/1998 Status: Effective*

*FERC Docket: RP99-148-000*

**First Revised Sheet No. 124** First Revised Sheet No. 124 : Effective

Superseding: Original Sheet No.124

GENERAL TERMS AND CONDITIONS

21. TRANSPORTER'S FACILITY MAINTENANCE

When there is a need for Transporter to engage in routine and normal maintenance of Transporter's Facility, to undertake repairs and replacements of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test equipment, or to engage in other similar actions affecting the capacity of any portions of Transporter's Facility, Transporter shall inform all Shippers by posting on Transporter's Internet Web Site a description of activities that will affect the capacity of any portions of Transporter's Facility, explaining in detail the action, the portion of Transporter's Facility affected and the estimated time period for such activities.

*Effective Date: 12/01/2004 Status: Effective*

*FERC Docket: RP05- 56-000*

**First Revised Sheet No. 125** First Revised Sheet No. 125 : Effective

Superseding: Original Sheet No.125

GENERAL TERMS AND CONDITIONS

22. ENERGY AFFILIATES

Transporter is subject to Standards of Conduct contained in the Commission's regulations. Transporter shall post on its Internet Web Site its procedures for implementation with the Commission's Standards of Conduct Regulations. All information required to be posted pursuant to such regulations can also be located on Transporter's Internet Web Site.

*Effective Date: 05/10/2010 Status: Effective*

*FERC Docket: RP10-594-000*

**Second Revised Sheet No. 126** Second Revised Sheet No. 126  
Superseding: First Revised Sheet No. 126

GENERAL TERMS AND CONDITIONS

23. COMPLAINTS

Transporter shall respond to any complaints which Shipper or a potential Shipper has regarding transportation service on Transporter's system within forty-eight (48) hours after receipt by Transporter. If such complaint is not resolved within thirty (30) days after Transporter's receipt of the complaint, Transporter shall respond in writing to the complaining party prior to the expiration of said thirty-day period.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-453-000

**Third Revised Sheet No. 127** Third Revised Sheet No. 127 : Effective  
Superseding: Second Revised Sheet No. 127

GENERAL TERMS AND CONDITIONS

24. INTERNET WEB SITE

Transporter shall maintain an interactive Internet Web Site for the purpose of providing its Shippers and third parties equal and timely access to Transporter's Transportation Log, and information relevant to the availability of capacity on Transporter's Facility. Transporter shall also provide each Shipper access through its Interactive Internet Website via Internet Web Site to information related to activity under its agreements with Transporter, such as nominations, scheduled quantities, allocations and estimated imbalances as the information is confirmed. Furthermore, Transporter shall administer each Shipper's release of firm capacity, as more particularly described in Section 19 hereof, through its Interactive Internet Website. Unless specifically provided otherwise in this FERC Gas Tariff, the generic provisions of this Tariff requiring that notices, requests, and other communications be in writing may be satisfied by Shipper through submission of such communications over Transporter's Internet Web Site. All forms set forth or referenced in the Tariff will also be maintained on Transporter's Internet Web Site for Shipper's use.

Transportation Service Agreement specific notices requiring communications to be in writing remain unchanged unless agreed to otherwise by the parties. Submission of information and communications through Transporter's Interactive Internet Website shall be legally binding on Shipper and Transporter.

The Internet Web Site will display a menu of available information. Any party can access the Internet Web Site and will be able to download information provided thereon. Transporter shall maintain and retain daily back-up records of the information displayed on the Internet Web Site for a period of three (3) years for purposes of restoring such information to on-line

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*FERC Docket: RP10-594-000*

**Third Revised Sheet No. 128** Third Revised Sheet No. 128  
Superseding: Second Revised Sheet No. 128

GENERAL TERMS AND CONDITIONS

24. INTERNET WEB SITE

availability if there is a computer malfunction or loss. Completed transactions and posted information will remain on the Internet Web Site for at least thirty (30) days and then will be archived. Archived information will be available from Transporter upon fifteen (15) days' prior written notice. Copies of archived information will be made available at \$.10 per page if a paper copy is requested or \$10.00 per CD or other media.

To receive access to Transporter's Interactive Internet Website, a party must execute and comply with the terms of the Form of Interactive Internet Website Agreement included in this Tariff. Shipper shall be responsible for providing all computer equipment and specified browser software necessary to interface with the Interactive Internet Website.

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FERC Docket: RP10-594-000

**Second Revised Sheet No. 129** Second Revised Sheet No. 129  
Superseding: First Revised Sheet No. 129

GENERAL TERMS AND CONDITIONS

25. ANNUAL CHARGE ADJUSTMENT CLAUSE

25.1 Purpose:

In order to recover the annual charges assessed by the Commission under Section 382.202 of the Commission's Regulations pursuant to the provisions of the Commission's Order No. 472, this Section 24 of the General Terms and Conditions is established to be applicable to the Rate Schedules contained in Volume No. 1 of Transporter's FERC Gas Tariff. Because Transporter is electing to recover the annual charges assessed by the Commission through the operation of this Annual Charge Adjustment Clause, Transporter does not intend to recover any annual charges recorded in Account No. 928 in any Natural Gas Act Section 4 rate case.

25.2 Basis for the Annual Charge Adjustment Clause:

The Rate Schedules specified in Section 25.1 hereof shall include an Annual Charge Adjustment unit charge (ACA unit charge) applicable to each MMBtu of gas transported thereunder in the amount set forth on Original Sheet No. 6 thereof. The ACA unit charge shall be added to the volumetric rate of any Rate Schedule with a reservation charge.

25.3 Filing Procedures:

Changes to the ACA unit charge must be filed annually to reflect the annual charge unit rate authorized by the Commission each fiscal year and are subject to the notice requirements of Section 154.207 of the Commission's Regulations. Transporter shall not commence to collect the ACA unit charge until Transporter has received authorization from the Commission.

*Effective Date: 04/16/1997 Status: Effective*

*FERC Docket: CP96-678-001*

**Original Sheet No. 130** Original Sheet No. 130 : Effective

GENERAL TERMS AND CONDITIONS

26. RATE/TARIFF CHANGES

This Tariff, including these General Terms and Conditions, and the respective obligations of the parties under any Transportation Service Agreement are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law.

*Effective Date: 04/16/1997 Status: Effective*

*FERC Docket: CP96-678-001*

**Original Sheet No. 131** Original Sheet No. 131 : Effective

GENERAL TERMS AND CONDITIONS

27. CONFLICTS

In the event of a conflict between these General Terms and Conditions and a Rate Schedule under this Tariff, the provisions of the Rate Schedule shall govern. In the event of a conflict between these General Terms and Conditions and/or a Rate Schedule and the provisions of an executed Transportation Service Agreement, the provisions of the Transportation Service Agreement shall govern.

*Effective Date: 04/16/1997 Status: Effective*

*FERC Docket: CP96-678-001*

**Original Sheet No. 132** Original Sheet No. 132 : Effective

GENERAL TERMS AND CONDITIONS

28. NGL BANK

All Shippers shall participate in an NGL Bank, pursuant to the terms of the form of NGL Bank Agreement appended to this Tariff.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 133** First Revised Sheet No. 133  
Superseding: Original Sheet No. 133

GENERAL TERMS AND CONDITIONS

29. RETROGRADE CONDENSATE

29.1 For purposes of this Section 29:

(a) The term "Retrograde Condensate" shall mean any hydrocarbons which exist as a gas at the Point(s) of Receipt and condense to a liquid during transportation to the Point(s) of Delivery prior to separation and measurement at the Retrograde Condensate Delivery Point.

(b) The term "Retrograde Condensate Delivery Point" shall mean the measurement facilities on Transporter's platform in South Marsh Island Block 76, offshore Louisiana.

29.2 Transporter shall, on mutually agreeable terms, conditions, and rates, accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Receipt Point(s), from Shipper or for Shipper's account, Retrograde Condensate not to exceed ten (10) barrels of Retrograde Condensate per Mmcf of natural gas that Transporter receives from Shipper or for Shipper's account at the Receipt Point(s); or such higher daily rate as Transporter may agree from time to time; or at such lower rate as Transporter may specify from time to time for the prudent operation of Transporter's Facility, as determined in Transporter's reasonable opinion, or as limited by the capacity of downstream pipelines to accept such Retrograde Condensate.

29.3 Transporter shall deliver to Shipper its allocable share of Retrograde Condensate at the Retrograde Condensate Delivery Point. Shipper shall be responsible for all arrangements to transport its allocable share of Retrograde Condensate downstream of the Retrograde Condensate Delivery Point.

Effective Date: 05/10/2005 Status: Effective

FERC Docket: RP05-336-000

**First Revised Sheet No. 134** First Revised Sheet No. 134 : Effective  
Superseding: Original Sheet No.134

GENERAL TERMS AND CONDITIONS

30. DISCOUNTING POLICY

- (a) In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's Rate Schedules, the following discount terms may be reflected on the applicable Service Agreements and will apply without the discount constituting a material deviation from Transporter's applicable pro forma Service Agreements; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable Rate Schedule. Transporter and Shipper may agree that a specified discounted rate will apply under the following conditions:
- (i) to specified quantities under Shipper's Service Agreement(s);
  - (ii) to specified quantities above or below a certain level or all quantities if quantities exceed a certain level;
  - (iii) in a specified relationship to quantities actually transported (i.e., that the Reservation charge will be adjusted in a specified relationship to quantities actually transported);
  - (iv) to specified quantities during specified periods of time or during specified periods of the year;
  - (v) to specified quantities at specific Receipt Point(s) or Delivery Point(s);
  - (vi) to production reserves committed or dedicated by Shipper; and/or
  - (vii) that a specific discounted rate is based on published index prices for specific Receipt Point(s) and/or Delivery Point(s) or other agreed-upon published pricing reference points (such as the index price differential rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such a discounted rate shall specify the rate component(s) to be discounted (i.e., Reservation charge or Commodity charge or both), and any formula will provide a reservation rate per unit of contract demand (Maximum Daily Quantity). To the extent the firm Reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per Dth. Furthermore, such discount shall not change the underlying rate design of the service being provided or include any minimum bill or maximum take provision that would have the effect of guaranteeing revenue.

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FERC Docket: RP05-336-000

**First Revised Sheet No. 135** First Revised Sheet No. 135 : Effective  
Superseding: Original Sheet No.135

GENERAL TERMS AND CONDITIONS

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 or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, the other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum 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 sheets. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

(b) The Discounting of Rates shall be done in the following order:

Base Rate

ACA is not discountable.

31. PERIODIC REPORTS

Transporter does not currently have any periodic reports that must be made pursuant to Commission Order or to a settlement proceeding initiated under Parts 154 or 284 of the Commission's Regulations.

Effective Date: 08/01/2009 Status: Effective  
FERC Docket: RP09-622-000

**Eleventh Revised Sheet No. 136** Eleventh Revised Sheet No. 136  
Superseding: Substitute Tenth Revised Sheet No. 136

GENERAL TERMS AND CONDITIONS (con't)

32. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) WHOLESale GAS QUADRANT  
STANDARDS

Transporter hereby incorporates into this Gas Tariff by reference the following NAESB Ver. 1.8 /1 business standards which have been adopted by the Commission in its regulations.

NAESB Standard Number:

0.1.1-3	1.3.35-77	3.3.16	4.3.78-87
0.2.1-3	1.3.79	3.3.20-26	4.3.90-93
0.3.1-6	1.4.1-7	3.4.1-4	5.1.1-4
0.3.10	2.1.1-6	4.1.2-4	5.2.2-3
0.3.11-15	2.2.2-3	4.1.6-7	5.3.9-10
0.4.1	2.3.1-3	4.1.10	5.3.11
1.1.1-5	2.3.6	4.1.12-13	5.3.17
1.1.7	2.3.9	4.1.15-24	5.3.22-23
1.1.9-18	2.3.25	4.1.26-40	5.3.30-43
1.1.20-22	2.3.29-30	4.2.1-6	5.3.45-52
1.2.1-2	2.3.32-35	4.2.7-20	5.3.57-60
1.2.5	2.3.40-53	4.3.1-3	5.4.1-23
1.2.8-12	2.3.54-58	4.3.5	6.3.1-4
1.2.13-19	2.3.62-65	4.3.16-18	6.5.2-4
1.3.3-4	2.4.1-18	4.3.20	10.1.1-9
1.3.11	3.1.1-2	4.3.22-36	10.2.1-38
1.3.14-21	3.3.1-2	4.3.38-62	10.3.1
1.3.24	3.3.5-9	4.3.65-69	10.3.3-25
1.3.25-32	3.3.11-13	4.3.72-76	

NAESB Electronic Data Interchange Model Trading Partner Agreement -  
Adopted August 13, 1997

/1 Includes the standards ratified by NAESB on June 25, 2004 to implement Order No. 2004, the standards ratified by NAESB on May 3, 2005 to implement Order No. 2004-A, and the standards to implement gas quality reporting requirements ratified by NAESB on October 20, 2004.

*Effective Date: 08/01/2009 Status: Effective*

*FERC Docket: RP09-622-000*

**Fifth Revised Sheet No. 137** Fifth Revised Sheet No. 137

Superseding: Second Sub Fourth Revised Sheet No. 137

GENERAL TERMS AND CONDITIONS (con't)

Sheet Reserved for Future Use

Effective Date: 11/07/2005 Status: Effective  
FERC Docket: RP06- 15-001

**Third Revised Sheet No. 138** Third Revised Sheet No. 138 : Effective  
Superseding: Second Revised Sheet No. 138

GENERAL TERMS AND CONDITIONS

33. NON-CONFORMING AGREEMENTS

- (a) Amerada Hess Corporation, FT-2 Transportation Service Agreement, dated March 20, 1997, as amended (#101108)
- (b) Amerada Hess Corporation, IT-1 Transportation Service Agreement, dated April 1, 2004 (#107671)
- (c) Apache Corporation, FT-2 Transportation Service Agreement, dated August 1, 1999, as amended (#101453)
- (d) Callon Petroleum Operating Company, IT-1 Transportation Service Agreement, dated November 1, 2003 (#107109)
- (e) ConocoPhillips Company (successor-in-interest to Conoco Inc.), FT-2 Transportation Service Agreement, dated May 17, 2002 (#103156)
- (f) Devon Energy Production Company, LP (successor-in-interest to Pennzoil Exploration & Production Company), FT-2 Transportation Service Agreement, dated May 15, 1998 (#101101)
- (g) Devon Louisiana Corporation (successor-in-interest to Ocean Energy, Inc.), FT-2 Transportation Service Agreement, dated May 17, 2002 (#103162)
- (h) ENI Petroleum Company, Inc. (successor-in-interest to AGIP Petroleum Co. Inc.), FT-2 Transportation Service Agreement, dated August 18, 1999, as amended (#101458)
- (i) ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation on behalf of Mobil Producing Texas & New Mexico, Inc., FT-2 Transportation Service Agreement, dated May 1, 2004, as amended (#107651)
- (j) Kerr-McGee Oil & Gas Corporation (successor-in-interest to Oryx Gas Marketing Company), FT-2 Transportation Service Agreement, dated March 20, 1997, as amended (#101103)

Effective Date: 11/07/2005 Status: Effective  
FERC Docket: RP06- 15-001

**First Revised Sheet No. 139** First Revised Sheet No. 139 : Effective  
Superseding: Original Sheet No. 139

GENERAL TERMS AND CONDITIONS

33. NON-CONFORMING AGREEMENTS (Con't)

- (k) Merit Partners, L.P., Merit Energy Partners III, L.P., Merit Energy Partners D-III, L.P. (successor-in-interest to Pennzoil Exploration & Production Company, now known as Devon Energy Production Company, L.P.), FT-2 Transportation Service Agreement, dated November 1, 2002 (#103474)
- (l) Merit Partners, L.P., Merit Energy Partners III, L.P., Merit Energy Partners D-III, L.P. (successor-in-interest to Santa Fe Snyder Corporation, now known as Devon SFS Operating, Inc.), FT-2 Transportation Service Agreement, dated August 11, 1999, as amended (#101469)
- (m) Murphy Gas Gathering, Inc., FT-2 Transportation Service Agreement, dated December 1, 2003, as amended (#106969)
- (n) Offshore Energy II LLC (successor-in-interest to Louisiana Land and Exploration Company), FT-2 Transportation Service Agreement, dated December 1, 1998 (#103485)
- (o) Shell Gulf of Mexico, Inc., IT-1 Transportation Service Agreement, dated April 1, 2004 (#107692)
- (p) Shell Offshore Inc., FT-2 Transportation Service Agreement, dated March 20, 1997, as amended (#101104)
- (q) Spinnaker Exploration Company, L.L.C., IT-1 Transportation Service Agreement, dated October 30, 2001 (#102767)

Effective Date: 02/23/2006 Status: Effective

FERC Docket: RP06-94-002

**Second Revised Sheet No. 140** Second Revised Sheet No. 140 : Effective  
Superseding: First Revised Sheet No. 140

GENERAL TERMS AND CONDITIONS

34. CREDITWORTHINESS

In evaluating requests for service and for certain other purposes under this Tariff, Transporter will perform a credit appraisal of Shipper.

- (a) Such a credit appraisal shall be performed in accordance with the following criteria:
  - (1) Transporter may require Shipper to provide current financial statements, annual reports, 10-K or other reports to regulatory agencies, a list of corporate affiliates, parents or subsidiaries, or any reports from credit reporting agencies which are available. Transporter shall apply consistent evaluation practices to determine the acceptability of the Shipper's overall financial condition, working capital, and profitability trends.
  - (2) A bank reference and two trade references must be provided by Shipper. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis.
  - (3) In the event Shipper cannot provide the above information, Shipper shall, if applicable, provide that information for its parent company.
  - (4) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that billing hereunder will be paid promptly as a cost of administration under the federal court's jurisdiction.
  - (5) Shipper must not be subject to the uncertainty of pending litigation which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or which could jeopardize the ability of the Shipper to exist as an ongoing business entity.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 141** First Revised Sheet No. 141  
Superseding: Original Sheet No. 141

GENERAL TERMS AND CONDITIONS

(6) If Shipper has an ongoing business relationship with Transporter or any of its regulated affiliates, and is in good standing with that entity with no delinquent balances consistently outstanding for services rendered previously to Shipper, the ongoing business relationship will be considered a positive credit reference for establishing the Shipper's credit with Transporter.

(7) No significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.

(8) The Shipper should designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and should provide to Transporter the email addresses of such representatives prior to the initiation of service. Written requests and responses should be provided via email, unless otherwise agreed to by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement has been met.

(b) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain service hereunder if it elects one of the following options:

(1) Payment in advance for three (3) months' service;

(2) A standby irrevocable letter of credit drawn upon a bank acceptable to Transporter;

(3) Security interest in collateral provided by the Shipper found to be satisfactory to Transporter; or

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*FERC Docket: RP10-594-000*

**First Revised Sheet No. 142** First Revised Sheet No. 142  
Superseding: Original Sheet No. 142

GENERAL TERMS AND CONDITIONS

(4) Guarantee by a person or another entity which does satisfy the credit appraisal.

(c) Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized, nondiscriminatory basis. To the extent that a Shipper's accounts with Transporter do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by Transporter, which reviews may be conducted on at least an annual basis, no new credit appraisals shall be required when an existing Agreement is amended or a request for a new Agreement is made, provided that Shipper's payment history has been satisfactory and there is no bona fide basis for questioning Shipper's creditworthiness.

(d) At any time after the Shipper is determined to be noncreditworthy by Transporter, the Shipper may initiate a creditworthiness re-evaluation. As part of the re-evaluation request, the Shipper should either update or confirm in writing the prior information provided to Transporter related to the Shipper's creditworthiness. Such update should include any event(s) that the Shipper believes could lead to a material change in the Shipper's creditworthiness.

(e) After a Transporter's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("SR's Request"), within five (5) Business Days, Transporter should provide a written response to the Shipper's Request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the Shipper's Request unless specified in Transporter's tariff or if the parties mutually agree to some later date.

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FERC Docket: RP10-594-000

**Original Sheet No. 143** Original Sheet No. 143

GENERAL TERMS AND CONDITIONS

35. SUCCESSORS AND ASSIGNS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Transporter shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Transportation Service Agreement ("Agreement"); provided, however, that Transporter reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with the Creditworthiness section of these General Terms and Conditions. Except as provided in Section 9 of Rate Schedule FT-2 and in Section 15 of the FT-2 Transportation Service Agreement, no other assignment of an Agreement or any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter. Shipper or Transporter may pledge or assign their respective right, title and interest in and to and under the Agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under the Agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the Agreement may occur.

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FERC Docket: RP10-594-000

**Original Sheet No. 144** Original Sheet No. 144

GENERAL TERMS AND CONDITIONS

36. MISCELLANEOUS

(a) The transportation agreement creates no rights in third parties.

(b) Transporter may waive any rights hereunder or any obligations of Shipper as to any specific default that has already occurred, or case-by-case in advance as to any specific, temporary operation problem, on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

(c) No waiver by either Shipper or Transporter of any one or more defaults by the other in performance of any of the provisions of the Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

GENERAL TERMS AND CONDITIONS

37. NEGOTIATED RATES

37.1 PRECONDITIONS TO NEGOTIATED RATES

Rates (including but not limited to lost-and-unaccounted-for gas) to be charged by Transporter for service to any Shipper under Rate Schedule FT-1, FT-2, or IT-1 may deviate in either form or level or both from the applicable maximum and/or minimum rate level in this Tariff, subject to the following provisions:

(a) Transporter and Shipper have executed a valid Service Agreement containing therein or in a related agreement a specific mutual understanding that Negotiated Rate(s) or a Negotiated Rate Formula will apply to service for that Shipper;

(b) At the time of execution of the Service Agreement (or the amendment to a Service Agreement), which first provides for the applicability to Shipper of the Negotiated Rate(s) or Negotiated Rate Formula, service was available pursuant to the terms and conditions (not modified by this Section 37) of Rate Schedule FT-1, FT-2, or IT-1 of this Tariff, as applicable;

(c) Transporter may only offer or accept offers for service under this Section 37 if and to the extent service is available at the Recourse Rate;

(d) Transporter will not negotiate terms and conditions of service under this Section 37; and

(e) No later than the Business Day on which Transporter commences service at such Negotiated Rate(s) or Negotiated Rate Formula (or if the day on which Transporter commences service is not a Business Day, then no later than the next Business Day after Transporter commences service), Transporter will file a tariff sheet advising the Commission of such Negotiated Rate or Negotiated Rate Formula, stating the name of Shipper, the type of service, the primary Receipt Point(s) and Delivery Point(s) applicable to the service, the volume of the Gas to be transported, any other charges, and specifying

GENERAL TERMS AND CONDITIONS

either: (i) the specific Negotiated Rate included in such Service Agreement; or (ii) the Negotiated Rate Formula included in such Service Agreement with sufficient specificity such that the rate in effect from time to time can be readily calculated. The tariff sheet must either incorporate a statement that the Service Agreement does not deviate from the form of Service Agreement in any material respect, or Transporter shall file with the Commission a copy of the non-conforming agreement.

37.2 CAPACITY ALLOCATION

(a) To the extent the revenue level pursuant to the Negotiated Rate(s) or Negotiated Rate Formula provided for in Section 37.1 above, as calculated under Subsection (b) of this Section 37.2, exceeds the comparable revenue level at the Recourse Rate, the Shipper bidding or paying such Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be treated, for all capacity allocation purposes, as if the rate(s) bid or paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity as a Shipper willing to pay an equal or higher Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula. If the Negotiated Rate or the rate under a Negotiated Rate Formula is higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for release capacity pursuant to Section 19 of these General Terms and Conditions and for the bidding of capacity pursuant to Section 19 of these General Terms and Conditions. Where the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula results in revenue which is greater than the Recourse Rate during certain portions of the relevant evaluation period but less than the revenue at the Recourse Rate during other portions of the relevant evaluation period (but the revenue pursuant to the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula equals or exceeds that which would be generated at the Recourse Rate for the entire

GENERAL TERMS AND CONDITIONS

evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula result in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority than bids or requests at the Recourse Rate.

(b) In allocating capacity among competing requests where one or more request is at a Negotiated Rate(s) or Negotiated Rate Formula, Transporter will consider, in assigning value to such request(s), only reservation or demand charge revenue or other revenue which is guaranteed to be received by Transporter (i.e., through a minimum throughput condition or minimum bill). For capacity evaluation purposes, the value of any such request shall be capped by the value of the maximum applicable reservation rate for such service over the contract term bid.

37.3 ACCOUNTING FOR COSTS AND REVENUES

The allocation of costs to, and the recording of revenues from service at Negotiated Rate(s) will follow Transporter's normal practices associated with all of its services under this Tariff. Transporter will maintain separate records of Negotiated Rate and Negotiated Rate Formula transactions for each billing period. These records shall include the volumes transported, the billing determinants (contract MDQ), the rates charged and the revenue received associated with such transactions. Transporter will separately identify such transactions in Statements G, I and J (or their equivalent) filed in any general rate proceeding.

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**Original Sheet No. 148** Original Sheet No. 148

GENERAL TERMS AND CONDITIONS

37.4 EFFECT OF NEGOTIATED RATE

By agreeing to a Negotiated Rate(s) or Negotiated Rate Formula, Shipper acknowledges that the otherwise generally applicable Recourse Rate shall not apply or be available to Shipper for service under the applicable Service Agreement during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective, notwithstanding any adjustment to such Recourse Rate or Negotiated Rate Formula which may become effective during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective. If, at any time during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective, Transporter is collecting its effective Recourse Rate subject to refund under Section 4 of the Natural Gas Act, Transporter shall have no refund obligation to Shipper even if the final Recourse Rate is reduced to a level below the Negotiated Rate(s) or Negotiated Rate Formula.

37.5 CAPACITY RELEASE

The capacity release provisions contained within this Tariff shall not apply to a Shipper receiving firm transportation service with a Negotiated Rate(s) or Negotiated Rate Formula that does not contain a reservation rate.

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**Original Sheet No. 149** Original Sheet No. 149

GENERAL TERMS AND CONDITIONS

38. OFF-SYSTEM CAPACITY

Transporter may enter into an agreement(s) with other interstate and intrastate pipeline companies for the lease of or to acquire for transportation, capacity or transportation rights. In the event that Transporter leases or 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 leased or acquired capacity pursuant to Transporter's FERC Gas Tariff and subject to Transporter's approved rates, as such tariff and approved rates may change from time to time. For purposes of transactions entered into subject to this Section 38, the "Shipper-Must-Have-Title" requirement is waived.

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**Original Sheet No. 150** Original Sheet No. 150

GENERAL TERMS AND CONDITIONS

39. POOLING POINT

39.1 GENERAL

A paper pooling point has been designated on Transporter's system. This point is not a physical point on the system, but is used solely for nomination and transportation rate determination purposes. Subject to the remainder of this Section 39, any number of FT-1, FT-2 or IT-1 Agreements may be utilized to deliver gas to or from a pooling point. Shippers will be able to nominate gas volumes from one or more Receipt Points for delivery to a pooling point in order to aggregate supplies as long as such gas volumes are nominated for simultaneous receipt and further transportation and delivery by Transporter under Agreement(s).

39.2 INCLUSION IN AGREEMENTS

Agreements under Rate Schedules FT-1, FT-2 or IT-1 automatically have the pooling point as both Receipt and Delivery Points with point MDQs as set out in the Transportation Service Agreement. The pooling point shall be an Interruptible Point for FT-1, FT-2 or IT-1 Agreements.

39.3 PRIORITY DATE

The applicable pooling point or increases to the MDQs of the pooling point is deemed requested as of the date a valid request was received for the Agreement or for the amendment (in the case of a firm transportation Agreement) which results in an increase in the MDQ of the pooling point.

39.4 USE OF POINTS

Nominations to and from the pooling point will be subject to the same nomination and confirmation procedures as all other receipts and deliveries. All volumes nominated for transportation to a pooling point on any day must be matched with nominations of those volumes for transportation from the pooling point on the same day. No imbalances will be permitted at the pooling point. Section 11 of these General Terms and Conditions sets

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*FERC Docket: RP10-594-000*

**Original Sheet No. 151** Original Sheet No. 151

GENERAL TERMS AND CONDITIONS

out the order of priority for scheduling nominations to and from the pooling point. Volumes nominated to be delivered from an interim Receipt Point (i.e., after processing) to the pooling point may not be nominated for delivery from the pooling point to an interim Delivery Point (i.e., for processing a second time).

39.5 CHARGES

There will be no transportation commodity charges or lost-and-unaccounted-for gas applicable to transportation of gas from a pooling point. The applicable transportation commodity charges and lost-and-unaccounted-for gas will be charged under the Agreement used to transport the gas to the pooling point. The Shipper under the Agreement used to transport gas to the pooling point may designate that the Shipper receiving gas at the pooling point be billed the applicable charges set forth herein, subject to such Shipper meeting the creditworthiness provisions of this Tariff.

39.6 MARKET CENTERS

The pooling point is intended to facilitate aggregation of supplies and the development of market centers. Nothing in this Tariff is intended to inhibit the development of market centers.

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*FERC Docket: RP10-594-000*

**Sheets Nos. 152-209** Sheets Nos. 152-209

These Sheets are Reserved for Future Use

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**First Revised Sheet No. 210** First Revised Sheet No. 210  
Superseding: Original Sheet No. 210

FT-1 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule FT-1)

THIS FT-1 TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to a "Transporter" and \_\_\_\_\_, a \_\_\_\_\_ Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I

DEFINITIONS

1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be \_\_\_\_\_ Mcf. Any limitations on the quantities to be received from each Receipt Point and/or delivered at each Delivery Point shall be as specified on Exhibit "A" attached hereto.

1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

2.1 Subject to Force Majeure and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily on a firm basis, at the Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity, and to deliver to or for the account of Shipper to the Delivery Point(s) an equivalent quantity of gas.

2.2 Transporter shall not be obligated to accept gas for transportation hereunder to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable, to accept the gas for delivery.

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**First Revised Sheet No. 211** First Revised Sheet No. 211  
Superseding: Original Sheet No. 211

FT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE III

RECEIPT AND DELIVERY POINT(S)

The Primary Receipt and Delivery Point(s) shall be those points specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

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**First Revised Sheet No. 212** First Revised Sheet No. 212 : Effective  
Superseding: Original Sheet No.212

FT-1 TRANSPORTATION SERVICE AGREEMENT

#### ARTICLE VI

##### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporters Rate Schedule FT-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Rate Schedule FT-1 of the Tariff, Transporter may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit B.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

#### ARTICLE VII

##### BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-1 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

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**Second Revised Sheet No. 213** Second Revised Sheet No. 213  
Superseding: First Revised Sheet No. 213

FT-1 TRANSPORTATION SERVICE AGREEMENT

With at least five (5) Business Days advanced written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 herein) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-1 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

FT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
  - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

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**First Revised Sheet No. 215** First Revised Sheet No. 215  
Superseding: Original Sheet No. 215

FT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE XII  
TERM

12.1 This Agreement shall be effective \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, \_\_\_\_\_ ("Primary Term") and on a month to month basis thereafter unless and until terminated by either Party upon the minimum prior written notice to the other Party as specified below:

	Term of Agreement, Yr.	Minimum Termination Notice, Days
*	1	30
*	Greater than 1 & less than or equal to 5	45
*	Greater an 5 & less than or equal to 10	60
*	Greater than 10	90

12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transport notifies Shipper of such imbalance no later than twelve months after the termination of the Agreement.

12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accord with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 216** Fourth Revised Sheet No. 216  
Superseding: Third Revised Sheet No. 216

FT-1 TRANSPORTATION SERVICE AGREEMENT

12.4 This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.

12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC  
1100 Louisiana  
Suite 3300  
HOUSTON, TEXAS 77002  
ATTENTION: CONTRACT ADMINISTRATION  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

**Original Sheet No. 217** Original Sheet No. 217 : Effective

FT-1 TRANSPORTATION SERVICE AGREEMENT

BILLING:

ATTENTION:

Telephone No.  
Facsimile No.

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder, to a company with which it is affiliated; provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-1 are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-272-000

**Second Revised Sheet No. 218** Second Revised Sheet No. 218 : Effective  
Superseding: First Revised Sheet No. 218  
FT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE XV

NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVI

MISCELLANEOUS

- 16.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 16.2 If any provision of this Agreement is declared null and void, or voidable, by a 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.
- 16.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or over Transporter's Interactive Internet Website.
- 16.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 219** Third Revised Sheet No. 219  
Superseding: Second Revised Sheet No. 219

FT-1 TRANSPORTATION SERVICE AGREEMENT

16.5 Reservation of Processing Rights

Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde liquid hydrocarbons, liquefiable hydrocarbons and concomitant materials (i.e., sulfur, carbon dioxide, nitrogen, helium, etc.), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its Processing Rights shall not be borne by Transporter.

16.6 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 220** Third Revised Sheet No. 220  
Superseding: Second Revised Sheet No. 220

FT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Primary	Maximum Daily	
Receipt Point(s)	Receipt Quantity (MDRQ)	Max. Receipt Point
	____ (Mcf) ____	Pressure, PSIG

Primary	Maximum Daily	
Delivery Point(s)	Delivery Quantity (MDDQ)	Max. Delivery Point
	____ (Mcf) ____	Pressure, PSIG

---

(SHIPPER) GARDEN BANKS GAS PIPELINE, LLC

Effective Date: 05/10/2005 Status: Effective  
FERC Docket: RP05-336-000

**Original Sheet No. 220A** Original Sheet No. 220A : Effective

FT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "B"

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Mcf above/below \_\_\_\_\_ Mcf  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Mcf

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**First Revised Sheet No. 220B** First Revised Sheet No. 220B : Effective  
Superseding: Original Sheet No. 220B

\_\_\_\_\_ Discounted Transportation Rate applicable in a  
specified relationship to quantities actually  
transported:

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Mcf  
actually transported)

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Receipt Point(s)  
or Delivery Point(s):

Receipt Point(s): \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
production reserves committed or dedicated by  
Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Receipt Point(s) and/or  
Delivery Point(s) or other agreed-upon published  
pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Garden Banks Gas Pipeline, LLC

\_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit \_\_B, Dated: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 221** Third Revised Sheet No. 221  
Superseding: Second Revised Sheet No. 221

FT-2 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule FT-2)

THIS TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of gas in Mcf which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the Delivery Period(s) specified on Exhibit "A" attached hereto. Any limitations on the quantities to be received from each Receipt Point and/or delivered at each Delivery Point shall be as specified on Exhibit "A" attached hereto.

Subject to available capacity on Transporter's Facility, Shipper shall have the right to increase the MDQs set forth on Exhibit "A" for production from Committed Block(s) by complying with the requirements of Section 6 of Rate Schedule FT-2.

The Maximum Daily Quantity set forth in Exhibit "A" hereto for any Delivery Period(s) specified therein may be increased, subject to available capacity and subject to compliance with the requirements of Section 6 of this Rate Schedule. The Maximum Daily Quantity set forth in Exhibit "A" hereto for any Delivery Period(s) specified therein, may be permanently reduced at any time and from time to time by any amount (including to zero) on three (3) months' prior written notice to Transporter after compliance with Section 6 of this Rate Schedule. Such reduction shall be effective as of the first day of the first Delivery Period following the expiration of the three (3) months' prior written notice.

FT-2 TRANSPORTATION SERVICE AGREEMENT

- 1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 COMMITTED BLOCK(S) - shall mean those Outer Continental Shelf (OCS) block(s) set forth on Exhibit "B" hereto which were committed to Transporter's System by Reserve Commitment Agreement dated \_\_\_\_\_.
- 1.4 DELIVERY PERIOD(S) - shall mean the Delivery Period(s) specified on Exhibit "A" attached hereto.

ARTICLE II

TRANSPORTATION

- 2.1 Subject to Force Majeure and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily on a firm basis, at the Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for the applicable Delivery Period, and to deliver to or for the account of Shipper to the Delivery Point(s) an equivalent quantity of gas.
- 2.2 Subject to available capacity, and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily, as Authorized Overrun gas, such quantity of gas as Shipper makes available, with Transporter's advance approval, in excess of the applicable Maximum Daily Quantity and to deliver to or for the account of Shipper to the Delivery Point(s) an equivalent quantity of gas; provided that there is no adverse effect on Transporter's ability to transport quantities within the applicable Maximum Daily Quantities under Transporter's other FT-1 and FT-2 Transportation Service Agreements.
- 2.3 Transporter shall not be obligated to accept gas for transportation hereunder to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable, to accept the gas for delivery.

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

**Original Sheet No. 223** Original Sheet No. 223 : Effective

FT-2 TRANSPORTATION SERVICE AGREEMENT

- 2.4 Transporter shall have no obligation to accept any gas for transportation under this Agreement other than gas produced from Shipper's working interest in the Committed Block(s).

ARTICLE III

RECEIPT AND DELIVERY POINT(S)

The Primary Receipt and Delivery Point(s) shall be those points specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
- 4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 224** Second Revised Sheet No. 224  
Superseding: First Revised Sheet No. 224

FT-2 TRANSPORTATION SERVICE AGREEMENT

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-2 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Rate Schedule FT-2 of the Tariff, Transporter may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit C.

6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.

6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-2, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-2 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

With at least five (5) Business Days' advanced written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 225** Second Revised Sheet No. 225  
Superseding: First Revised Sheet No. 225

FT-2 TRANSPORTATION SERVICE AGREEMENT

this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 herein) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-2 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

*Effective Date: 05/10/2010 Status: Effective*

*FERC Docket: RP10-594-000*

**First Revised Sheet No. 225A** First Revised Sheet No. 225A

Superseding: Original Sheet No. 225A

Sheet Reserved for Future Use

Effective Date: 06/01/2007 Status: Effective  
FERC Docket: RP08-270-000

**Second Revised Sheet No. 226** Second Revised Sheet No. 226 : Effective  
Superseding: First Revised Sheet No. 226  
FT-2 TRANSPORTATION SERVICE AGREEMENT

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
  - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

- 12.1 This Agreement shall be effective [original effective date] or [original effective date, restating and amending original Contract No. \_\_\_\_, dated \_\_\_\_, \_\_\_\_,] and shall remain in force and effect for the economic life of the Committed Blocks, as set out in that Reserve Commitment Agreement, dated \_\_\_\_, \_\_\_\_, by and between Transporter and Shipper, as may be revised from time to time.
- 12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 227** Fourth Revised Sheet No. 227  
Superseding: Third Revised Sheet No. 227

FT-2 TRANSPORTATION SERVICE AGREEMENT

12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

12.4 This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.

12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC  
1100 Louisiana, Suite 3300  
HOUSTON, TEXAS 77002  
ATTENTION: CONTRACT ADMINISTRATION  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

SHIPPER: NOTICES: \_\_\_\_\_

\_\_\_\_\_  
ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

Original Sheet No. 228 Original Sheet No. 228 : Effective

FT-2 TRANSPORTATION SERVICE AGREEMENT

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operation under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE XV

ASSIGNMENTS

- 15.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder, to any company to which Shipper assigns all or any portion of its interests in the Committed Block(s), provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-2 are met by the assignee.
- 15.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-272-000

**Second Revised Sheet No. 229** Second Revised Sheet No. 229 : Effective  
Superseding: First Revised Sheet No. 229  
FT-2 TRANSPORTATION SERVICE AGREEMENT

ARTICLE XVI

NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVII

MISCELLANEOUS

- 17.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 17.2 If any provision of this Agreement is declared null and void, or voidable, by a 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.
- 17.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or over Transporter's Interactive Internet Website.
- 17.4 Exhibits "A", and "B" attached hereto are incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**Second Revised Sheet No. 230** Second Revised Sheet No. 230 : Effective  
Superseding: First Revised Sheet No. 230  
FT-2 TRANSPORTATION SERVICE AGREEMENT

17.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde condensate, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter.

17.6 Shipper agrees to waive its rights to any revenues from a release of its FT-2 capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under this Agreement.

17.7 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
 FERC Docket: RP10-594-000

**First Revised Sheet No. 231** First Revised Sheet No. 231  
 Superseding: Original Sheet No.231

FT-2 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "A"  
 TO TRANSPORTATION SERVICE AGREEMENT  
 DATED \_\_\_\_\_, \_\_\_\_\_  
 BETWEEN  
 GARDEN BANKS GAS PIPELINE, LLC  
 AND  
 [SHIPPER]

Delivery Period(1):	Maximum Daily Quantity (MDQ) Mcf/d	Primary/ Receipt Point(s)	Maximum Daily Receipt Point Quantity	Maximum Daily Receipt Point Pressure, PSIG	Primary Delivery Point(s)	Maximum Daily Delivery Point Quantity	Maximum Daily Delivery Point Pressure, PSIG
Starting	Ending		Mcf/d			Mcf/d	

- (1) No Delivery Period shall be less than 3 consecutive months.
- (2) The MDQ for each Delivery Period shall not be less than the lesser of (i) 5,000 Mcf per day or (ii) Shipper's share of production from the Committed Block(s). The MDQ must be supported by an estimated production forecast for the Committed Block(s).

*Effective Date: 05/10/2010 Status: Effective*

*FERC Docket: RP10-594-000*

**First Revised Sheet No. 232** First Revised Sheet No. 232  
Superseding: Original Sheet No. 232

FT-2 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "B"

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

COMMITTED BLOCK(S)

Effective Date: 05/10/2005 Status: Effective

FERC Docket: RP05-336-000

Original Sheet No. 232A Original Sheet No. 232A : Effective

FT-2 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "C"

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Mcf above/below \_\_\_\_\_ Mcf  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**First Revised Sheet No. 232B** First Revised Sheet No. 232B : Effective  
Superseding: Original Sheet No. 232B

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Mcf  
actually transported)

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Mcf for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Receipt Point(s)  
or Delivery Point(s):

Receipt Point(s): \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
production reserves committed or dedicated by  
Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Receipt Point(s) and/or  
Delivery Point(s) or other agreed-upon published  
pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Garden Banks Gas Pipeline, LLC

\_\_\_\_\_  
Shipper: \_\_\_\_\_

Supersedes Exhibit C, Dated: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 233** First Revised Sheet No. 233  
Superseding: Original Sheet No. 233

IT-1 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule IT-1)

THIS IT-1 TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to a "Transporter" and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I

DEFINITIONS

1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be \_\_\_\_\_ Mcf.

1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity of gas and deliver to or for the account of Shipper to the Delivery Point(s) an equivalent quantity of gas.

ARTICLE III

POINT(S) OF RECEIPT AND DELIVERY

The Receipt and Delivery Point(s) shall be those points specified on Exhibit "A" attached hereto.

IT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

6.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas for transportation hereunder, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 235** Third Revised Sheet No. 235  
Superseding: Second Revised Sheet No. 235

IT-1 TRANSPORTATION SERVICE AGREEMENT

accordance with Transporter's Rate Schedule IT-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Rate Schedule IT-1 of the Tariff, Transporter may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit B.

6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.

6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT-1, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule IT-1 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

With at least five (5) Business Days advance written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

*Effective Date: 06/01/1997 Status: Effective*

*FERC Docket: RP97-310-002*

**Original Sheet No. 235A** Original Sheet No. 235A : Effective

IT-1 TRANSPORTATION SERVICE AGREEMENT

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 herein) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

**Original Sheet No. 236** Original Sheet No. 236 : Effective

IT-1 TRANSPORTATION SERVICE AGREEMENT

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule IT-1 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

*Effective Date: 05/10/2010 Status: Effective*  
*FERC Docket: RP10-594-000*

**First Revised Sheet No. 237** First Revised Sheet No. 237  
Superseding: Original Sheet No. 237

IT-1 TRANSPORTATION SERVICE AGREEMENT

(a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

(b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

12.1 This Agreement shall be effective from the date hereof and shall remain in full force and effect on a month to month basis unless and until terminated by either Party upon at least thirty (30) days' prior written notice to the other Party.

12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 238** Fourth Revised Sheet No. 238  
Superseding: Third Revised Sheet No. 238

IT-1 TRANSPORTATION SERVICE AGREEMENT

12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

12.4 This Agreement shall be subject to termination upon written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.

12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC

1100 Louisiana, Suite 3300  
HOUSTON, TEXAS 77002  
ATTENTION: CONTRACT ADMINISTRATION  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

**Original Sheet No. 239** Original Sheet No. 239 : Effective

IT-1 TRANSPORTATION SERVICE AGREEMENT

SHIPPER:

NOTICES:

ATTENTION:

TELEPHONE NO.  
FACSIMILE NO.

BILLING:

ATTENTION:

TELEPHONE NO.  
FACSIMILE NO.

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of Contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign or any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule IT-1 are met by the particular affiliated company.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-272-000

**Second Revised Sheet No. 240** Second Revised Sheet No. 240 : Effective  
Superseding: First Revised Sheet No. 240  
IT-1 TRANSPORTATION SERVICE AGREEMENT

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVI

MISCELLANEOUS

16.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

16.2 If any provision of this Agreement is declared null and void, or voidable, by a 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.

16.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or over Transporter's Interactive Internet Website.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 241** Third Revised Sheet No. 241  
Superseding: Second Revised Sheet No. 241

IT-1 TRANSPORTATION SERVICE AGREEMENT

16.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

16.5 Reservation of Processing Rights

Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons covered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde liquid hydrocarbons, liquefiable hydrocarbons and concomitant materials (i.e., sulfur, carbon dioxide, nitrogen, helium, etc.), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its Processing Rights shall not be borne by Transporter.

16.6 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC SHIPPER

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 242** Third Revised Sheet No. 242  
Superseding: Second Revised Sheet No. 242

IT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "A"

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Maximum  
Receipt Point  
Receipt Point(s)                      Pressure, PSIG

Maximum  
Delivery Point  
Delivery Point(s)                      Pressure, PSIG

---

(SHIPPER) GARDEN BANKS GAS PIPELINE, LLC

Effective Date: 05/10/2005 Status: Effective  
FERC Docket: RP05-336-000

**Original Sheet No. 243** Original Sheet No. 243 : Effective

IT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "B"

TO TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
                                  \_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
                                  \_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Mcf above/below \_\_\_\_\_ Mcf  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**First Revised Sheet No. 244** First Revised Sheet No. 244 : Effective  
Superseding: Original Sheet No. 244

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Mcf  
actually transported)

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Mcf for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Receipt Point(s)  
or Delivery Point(s):

Receipt Point(s): \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
production reserves committed or dedicated by  
Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Receipt Point(s) and/or  
Delivery Point(s) or other agreed-upon published  
pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Garden Banks Gas Pipeline, LLC

\_\_\_\_\_  
Shipper: \_\_\_\_\_

Supersedes Exhibit B, Dated: \_\_\_\_\_

*Effective Date: 05/10/2005 Status: Effective*

*FERC Docket: RP05-336-000*

**Sheet Nos. 245-274** Sheet Nos. 245-274 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 245-274 reserved for future use

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 275** First Revised Sheet No. 275  
Superseding: Original Sheet No. 275

FORM FOR SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Acquiring Shipper". Transporter and Acquiring Shipper shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Transporter provides firm transportation services to Shippers under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and Transporter's Rate Schedule FT-1 of its FERC Gas Tariff or Rate Schedule FT-2 of its FERC Gas Tariff; and

WHEREAS, Shippers have the right to offer their firm transportation capacity under Rate Schedules FT-1 or FT-2 for release to other parties on a temporary basis pursuant to Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff; and

WHEREAS, Acquiring Shipper will be bidding on offers of released transportation capacity, and to the extent Acquiring Shipper is successful in its bid(s), Transporter is willing to provide firm transportation service to Acquiring Shipper pursuant to the provisions of Rate Schedules FT-1 or FT-2, as applicable, Subpart G of Part 284 of the Commission's Regulations and this Agreement.

NOW, THEREFORE, the Parties hereby agrees as follows:

ARTICLE I

SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 6.3 of Rate Schedules FT-1 or FT-2 are met in order for Acquiring Shipper to be pre-qualified for capacity releases and this Agreement is effective, Acquiring Shipper may bid from time to time on proposed capacity releases under Rate Schedules FT-1 or FT-2 pursuant to

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

the procedures set forth in Section 19 of Transporter's General Terms and Conditions. If at any time a bid submitted by Acquiring Shipper is deemed to be the best bid by Transporter with respect to a given offer to release firm transportation capacity, Transporter will promptly finalize the appropriate Addendum to this Agreement, in the format attached hereto. Upon finalization of such Addendum, Acquiring Shipper and Transporter agree that Acquiring Shipper shall be considered for all purposes as a Shipper with respect to the released service.

- 1.2 Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FT-1 or Rate Schedule FT-2, Transporter agrees to provide the released firm transportation service for Acquiring Shipper under Rate Schedule FT-1, Rate Schedule FT-2, the General Terms and Conditions incorporated therein and this Agreement.
- 1.3 Acquiring Shipper hereby agrees to promptly provide any information necessary for Transporter to reevaluate Acquiring Shipper's credit appraisal under Section 6.3 of Rate Schedules FT-1 or FT-2 and to advise Transporter of any material change in the information previously provided by the Acquiring Shipper to Transporter.
- 1.4 Subject to the terms and provisions of this Agreement, Rate Schedule FT-1, Rate Schedule FT-2 and the General Terms and Conditions incorporated therein, Acquiring Shipper agrees to deliver, or cause to be delivered, to Transporter at the Primary Receipt Point(s) described in the Addendum and Exhibit "A" to this Agreement, and Transporter agrees to accept at such Point(s) for transportation under this Agreement, a quantity of gas on any day on a firm basis limited to the Receipt Point(s) and MDRQ(s) set out on the Addendum in effect on that day.
- 1.5 Subject to the terms and provisions of this Agreement, Rate Schedule FT-1, Rate Schedule FT-2 and the General Terms and Conditions incorporated therein, Transporter shall deliver an equivalent quantity of gas, as set forth in Rate Schedules FT-1 or FT-2, to Acquiring Shipper at the Delivery Point(s)

Effective Date: 04/16/1997 Status: Effective

FERC Docket: CP96-678-001

Original Sheet No. 277 Original Sheet No. 277 : Effective

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

described in the Addendum and Exhibit "A" to this Agreement. Transporter's obligation to redeliver gas on a firm basis at any Delivery Point on a given day is limited to the Delivery Point(s) and MDDQ(s) set out on the Addendum in effect on that day and subject to availability of capacity on the downstream pipeline(s).

ARTICLE II

CONDITIONS OF SERVICE

- 2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with, and subject to the terms of the Addendum attached hereto, the provisions of Transporter's Rate Schedule FT-1, Rate Schedule FT-2 and the General Terms and Conditions incorporated therein, which are contained in Transporter's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in Rate Schedule FT-1, Rate Schedule FT-2 and the General Terms and Conditions incorporated therein.
- 2.2 Transporter shall have the right to discontinue service under this Agreement in accordance with Section 14.4 of the General Terms and Conditions contained in Transporter's FERC Gas Tariff.
- 2.3 The Parties agree that neither party shall be liable to the other party for loss of profits or business interruptions arising out of or in any manner related to this Agreement.
- 2.4 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations and to Transporter's FERC Gas Tariff. Upon termination of this Agreement, Transporter and Acquiring Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations, (including indemnities) accruing prior to the date of termination.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 278** Fourth Revised Sheet No. 278  
Superseding: Third Revised Sheet No. 278

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

ARTICLE III

NOTICES

3.1 Notices hereunder shall be given pursuant to the General Terms and Conditions of Transporter's FERC Gas Tariff to the respective Party at the applicable address, telephone number or facsimile machine numbers as the Parties shall respectively hereafter designate in writing from time to time:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC  
1100 Louisiana, Suite 3300  
HOUSTON, TEXAS 77002  
ATTENTION: CONTRACT ADMINISTRATION  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

ACQUIRING SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTENTION: \_\_\_\_\_  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTENTION: \_\_\_\_\_  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

Acquiring Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Acquiring Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Acquiring Shipper shall amend this listing in writing when there is any change of authorized persons.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 279** Second Revised Sheet No. 279  
Superseding: First Revised Sheet No. 279

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

ARTICLE IV

TERM

4.1 Subject to the provisions hereof, this Agreement shall become effective \_\_\_\_\_, \_\_\_\_\_ and shall be in force and effect until \_\_\_\_\_, \_\_\_\_\_.

4.2 This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.

ARTICLE V

BILLINGS AND PAYMENTS

5.1 Acquiring Shipper shall pay Transporter monthly for the transportation services rendered hereunder the Reservation Charge specified in the Addendum attached hereto and all other charges and penalties as specified or assessed under Rate Schedule FT-1, Rate Schedule FT-2 and the General Terms and Conditions of Transporter's FERC Gas Tariff incorporated therein. In the event Transporter agrees from time to time to collect a rate lower than the maximum rate set forth in the Tariff for the transportation services rendered hereunder, such discounted rate shall be set forth in Exhibit B to the Addendum.

5.2 Acquiring Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedules FT-1 or FT-2; (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Acquiring Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-453-000

**First Revised Sheet No. 280** First Revised Sheet No. 280 : Effective  
Superseding: Original Sheet No.280  
FORM OF SERVICE AGREEMENT OF TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

ARTICLE VI

NONRECOURSE OBLIGATIONS

Acquiring Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Acquiring Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Acquiring Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE VII

MISCELLANEOUS

- 7.1 This Agreement constitutes the entire Agreement between the Parties and no waiver by either Party of any default under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.
- 7.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 7.3 Except for the Addenda generated by Acquiring Shipper's successful bids for released capacity, no modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the Parties.
- 7.4 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**Third Revised Sheet No. 281** Third Revised Sheet No. 281 : Effective  
Superseding: Second Revised Sheet No. 281  
FORM OF SERVICE AGREEMENT OF TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

- 7.5 Any person which shall succeed by purchase, merger, or consolidation to the assets, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.
- 7.6 Each Addendum and Exhibit "A" attached to this Agreement constitute part of this Agreement and are incorporated herein.
- 7.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein.
- 7.8 Acquiring Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 7.9 Acquiring Shipper grants to Transporter its permission and approval to notify the Releasing Shipper, as defined in Section 19.1 of the Tariff's General Terms and Conditions, (even when such Releasing Shipper is an Energy Affiliate of the Transporter) of certain credit-related issues pursuant to the General Terms and Conditions under Section 19.6 of the Transporter's Tariff.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by the Parties' respective duly authorized officers.

GARDEN BANKS GAS (ACQUIRING SHIPPER)  
PIPELINE, LLC

BY: \_\_\_\_\_  
BY: \_\_\_\_\_

TITLE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_  
DATE: \_\_\_\_\_

Effective Date: 04/16/1997 Status: Effective  
FERC Docket: CP96-678-001

**Original Sheet No. 282** Original Sheet No. 282 : Effective

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

Offer No.: \_\_\_\_\_  
Addendum No.: \_\_\_\_\_  
Temporary Capacity Release Service  
Agreement No.: \_\_\_\_\_

Addendum No. \_\_\_\_\_  
Capacity Release  
Rate Schedule FT- \_\_\_\_\_

Acquiring Shipper: \_\_\_\_\_

Releasing Shipper: \_\_\_\_\_

Releasing Shipper's Contract No.: \_\_\_\_\_

Effective Date of Release: \_\_\_\_\_ through \_\_\_\_\_

Is this capacity subject to right of recall? Yes \_\_\_ No \_\_\_  
Recall Conditions (if applicable):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rates: Check all that apply:

Monthly reservation charge \_\_\_\_\_  
Volumetric reservation charge \_\_\_\_\_  
Volume commitment \_\_\_\_\_  
Reservation charge prorated for days of recall

Reservation Charge (inclusive of reservation surcharge)  
\$ \_\_\_\_\_

Maximum Daily Quantity \_\_\_\_\_ (Mcf)

Effective Date: 05/10/2005 Status: Effective  
FERC Docket: RP05-336-000

**First Revised Sheet No. 283** First Revised Sheet No. 283 : Effective  
Superseding: Original Sheet No.283  
FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

EXHIBIT "A" TO ADDENDUM

Primary Receipt Points	Maximum Daily Receipt Quantity (MDRQ), MCF/D	Max. Receipt Point Pressure, PSIG
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Primary Delivery Points	Maximum Daily Delivery Quantity (MDDQ), MCF/D	Max. Delivery Point Pressure, PSIG
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

This Addendum, entered into pursuant to Transporter's capacity release program and the executed Temporary Capacity Release Service Agreement between Transporter and the Acquiring Shipper, is made a part of and subject to the aforementioned Temporary Capacity Release Service Agreement.

Effective Date: 05/10/2005 Status: Effective  
FERC Docket: RP05-336-000

**Original Sheet No. 283A** Original Sheet No. 283A : Effective

FORM OF SERVICE AGREEMENT FOR TEMPORARY  
RELEASE OF FIRM TRANSPORTATION CAPACITY

EXHIBIT "B" TO ADDENDUM

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):

\_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Mcf above/below \_\_\_\_\_ Mcf  
or

Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Mcf

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Mcf  
actually transported)

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**First Revised Sheet No. 283B** First Revised Sheet No. 283B : Effective  
Superseding: Original Sheet No. 283B

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Mcf for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Receipt Point(s)  
or Delivery Point(s):

Receipt Point(s): \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
production reserves committed or dedicated by  
Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Receipt Point(s) and/or  
Delivery Point(s) or other agreed-upon published  
pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or

\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Garden Banks Gas Pipeline, LLC

\_\_\_\_\_  
Shipper: \_\_\_\_\_

Supersedes Exhibit B, Dated: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 284** First Revised Sheet No. 284  
Superseding: Original Sheet No. 284

FORM OF RESERVE COMMITMENT AGREEMENT

THIS RESERVE COMMITMENT AGREEMENT (Agreement) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I

DEFINITIONS

1.1 COMMITTED BLOCKS(S) - shall mean those Outer Continental Shelf ("OCS") blocks set forth on Exhibit "A" hereto.

1.2 Capitalized terms not defined herein shall have the meaning ascribed thereto in Transporter's FERC Gas Tariff.

ARTICLE II

RESERVE DEDICATION

2.1 Subject to the provisions of Sections 2.3, 2.4 and 2.5 of this Agreement, Shipper hereby agrees to deliver into and transport through Transporter's Facility all natural gas produced by or for the account of Shipper from the Committed Block(s) for the economic life of the Committed Block(s).

2.2 In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Committed Block(s), Shipper agrees that any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto that the Committed Block(s) remain dedicated for purposes of transportation to Transporter's Facility for the economic life of the Committed Block(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Committed Block(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Committed Block(s) so assigned, to the extent that such assignee satisfies the requirements of Section 6.3 of Rate Schedules FT-1, FT-2 or IT-1, as applicable. Upon such assignment, Shipper shall be relieved of its obligations under this Agreement to the extent, and only to the extent, so assigned to a third party.

Effective Date: 04/16/1997 Status: Effective

FERC Docket: CP96-678-001

Original Sheet No. 285 Original Sheet No. 285 : Effective

FORM OR RESERVE COMMITMENT AGREEMENT

2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:

- (a) The right to operate the Committed Block(s) free from any control by Transporter including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any lease (in whole or in part) covering the affected lands;
- (b) The right to deliver production to lessors of leases on such lands in quantities sufficient to fulfill lease obligations from time to time, including the right to take royalty in kind; and
- (c) The rights to use production for development and operations of such lands, including (but not limited to) the use of gas for fuel, drilling (including gas drilling), deepening, reworking, compressing, gas lifting, processing, treating, cycling, repressuring or other supplemental recovery operations.

2.4 Temporary Release

- (a) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Committed Block(s) in excess of the capacity available on Transporter's Facility (i) under Shipper's existing Transportation Service Agreement(s), (ii) under Rate Schedule IT-1 and (iii) for commitment to firm service (referred to herein as "Excess Deliverability"). In the event of Excess Deliverability, Shipper shall be released from its obligations under Section 2.1 with respect to the Impacted Quantities (as defined in subsection 2.4(c)) pursuant to the provisions of subsection 2.4(d).

FORM OF RESERVE COMMITMENT AGREEMENT

- (b) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Committed Block(s) up to the MDQ under Shipper's existing FT-1 or FT-2 Transportation Service Agreement(s) that Transporter is unable to accept for transportation (referred to herein as "Transporter Inability"). In the event of Transporter Inability, Shipper shall be released from its obligations under Section 2.1 with respect to the Impacted Quantities (as defined in subsection 2.4(c)) pursuant to the provisions of subsection 2.4(d).
- (c) For purposes of Sections 2.4 and 2.5, Impacted Quantities shall mean those quantities of Shipper's production from the Committed Block(s) in excess of the combined quantities that Transporter could transport for Shipper, on a firm or interruptible basis. The Impacted Quantities shall be deemed to be the last quantities produced, so that any release under Section 2.4 or 2.5 is applicable only to the daily production quantity in excess of the quantity that Transporter is able to accept into Transporter's Facility on a given day.
- (d) Shipper and Transporter shall discuss the cause and anticipated duration of any Transporter Inability or Excess Deliverability. Shipper will limit any commitment it makes to third parties to deliver the Impacted Quantities released under this Section 2.4 for a period to coincide with the anticipated duration of the Transporter Inability or Excess Deliverability; provided that in no event will the Impacted Quantities be returned for transportation under an FT-1, FT-2 or IT-1 Transportation Service Agreement later than the first day of the calendar month following thirty (30) days after receipt by Shipper of Transporter's notice that it is able to accept the Impacted Quantities tendered by Shipper.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 287** First Revised Sheet No. 287  
Superseding: Original Sheet No. 287

FORM OF RESERVE COMMITMENT AGREEMENT

2.5 Permanent Release

In the event of excess Deliverability under Section 2.4(a) for more than 180 consecutive days or Transporter Inability under Section 2.4(b), Shipper may request in writing from Transporter a prospective permanent release of the Impacted Quantities from the obligations under Section 2.1. Transporter shall have six (6) months from the date of receipt of Shipper's release request to take actions, including without limitation the installation of facilities, to enable Transporter to receive the Impacted Quantities from Shipper. To that end, within three (3) months following Shipper's release request, Transporter shall review with Shipper the steps or actions Transporter is taking, or proposes to take, to enable Transporter to receive the Impacted Quantities from Shipper. Within thirty (30) days after such review, Shipper must notify Transporter in writing if Shipper elects to implement the permanent release of the obligations under Section 2.1 with respect to the Impacted Quantities. Upon such notification and immediately after the end of the six (6) month period set forth above, Transporter will release the Impacted Quantities from the obligations under Section 2.1

ARTICLE III

TRANSPORTATION

3.1 Shipper may request that its production from the Committed Block(s) be transported under Rate Schedules FT-1, FT-2 or IT-1, in accordance with the provisions of the applicable Rate Schedule.

3.2 Transporter agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Transporter does not guarantee sufficient capacity to transport all of Shipper's production from Committed Block(s). In the event of insufficient capacity, Shipper's sole and exclusive remedy shall be as specified in Sections 2.4 and 2.5 above.

3.3 Transporter shall have no obligation to build or install new facilities to provide transportation service for production from Committed Block(s).

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 288** Fourth Revised Sheet No. 288  
Superseding: Third Revised Sheet No. 288

FORM OF RESERVE COMMITMENT AGREEMENT

ARTICLE IV

REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V

TERM

This Agreement shall be effective \_\_\_\_\_, \_\_\_\_\_, and shall remain in force and effect for the economic life of the Committed Block(s).

ARTICLE VI

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC  
1100 Louisiana, Suite 3300  
HOUSTON, TEXAS 77002  
ATTENTION: CONTRACT ADMINISTRATION  
TELEPHONE NO. \_\_\_\_\_  
FACSIMILE NO. \_\_\_\_\_

SHIPPER: NOTICES: \_\_\_\_\_

\_\_\_\_\_  
ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_

\_\_\_\_\_  
ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**Second Revised Sheet No. 289** Second Revised Sheet No. 289 : Effective  
Superseding: First Revised Sheet No. 289  
FORM OF RESERVE COMMITMENT AGREEMENT

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII

NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE VIII

MISCELLANEOUS

- 8.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 8.2 If any provision of this Agreement is declared null and void, or voidable, by a 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.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC SHIPPER

BY: \_\_\_\_\_  
BY: \_\_\_\_\_

TITLE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_  
DATE: \_\_\_\_\_

*Effective Date: 05/10/2010 Status: Effective*

*FERC Docket: RP10-594-000*

**First Revised Sheet No. 290** First Revised Sheet No. 290

Superseding: Original Sheet No. 290

FORM OF RESERVE COMMITMENT AGREEMENT

EXHIBIT "A"

TO RESERVE COMMITMENT AGREEMENT

DATED \_\_\_\_\_, \_\_\_\_\_

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

COMMITTED OCS BLOCKS

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 291** Third Revised Sheet No. 291  
Superseding: Second Revised Sheet No. 291

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

(Date)  
(Attention)  
(Shipper Name)  
(Address)

RE: Interactive Internet Website Agreement

Dear \_\_\_\_\_:

Garden Banks Gas Pipeline, LLC ("Transporter") will provide \_\_\_\_\_ ("Shipper") with access to and provide information concerning transportation services on Transporter's Facility (as defined in the General Terms and Conditions of Transporter's FERC Tariff) via the Interactive Internet Website. Transporter hereby agrees to provide authorized representatives of Shipper with USERIDs and passwords necessary to access the Interactive Internet Website and in consideration therefor, Shipper agrees its use of the Interactive Internet Website shall be subject to the following terms and conditions.

1. Transporter agrees to permit those employees (including officers and directors) specified by Shipper to receive USERIDs and passwords for access to the Interactive Internet Website. Any person permitted by Shipper to access the Interactive Internet Website must have the legal authority to act on behalf of Shipper in performing those functions listed on the Interactive Internet Website's menu for which he/she is authorized, including those functions which are available presently and those functions which shall become available at a later date. In particular, Shipper shall designate one or more persons to perform the contracting function and thereby legally bind Shipper to any agreement or amended agreement executed by Shipper on the Interactive Internet Website. Shipper agrees and acknowledges that Transporter shall be entitled to rely on Shipper's representation that all persons authorized to perform a contracting function through the Interactive Internet Website have been duly authorized by Shipper to enter into one or more agreements or amended agreements on its behalf.

2. Transporter agrees that in addition to appropriately authorized employees, officers and directors, Shipper may access the Interactive Internet Website through an agent or representative, (hereinafter referred to as "Agent") as long as such Agent is appointed in writing through the agency agreement attached hereto as Exhibit A (Agency Agreement), which specifically gives the Agent the legal authority to act on behalf of Shipper in performing any or all

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 292** Third Revised Sheet No. 292  
Superseding: Second Revised Sheet No. 292

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

functions listed on the Interactive Internet Website menu, including those functions which are available presently and those functions which shall become available at a later date. Shipper agrees to provide Transporter's Contract Administration Department with an executed original of the Agency Agreement. Transporter agrees that Shipper may cancel the Agency Agreement by notifying Transporter pursuant to the procedures set out in paragraph 6 of this letter agreement. Transporter agrees further that Shipper may appoint a successor Agent by providing Transporter with an executed original of such successor's Agency Agreement. Transporter shall not be required, however, to give effect to any Agency Agreement until it has actually received an executed original of such Agency Agreement in writing or through the Interactive Internet Website if the Agency Agreement has been executed on the Interactive Internet Website.

3. Prior to being issued USERIDs and passwords, each of Shipper's employees and Agents (collectively hereinafter referred to as "authorized persons") must return to Transporter a completed Interactive Internet Website Access Request Form in the form attached hereto as Exhibit B. Shipper agrees to promptly provide Transporter with any material change to the information provided thereon, including but not limited to the designation of an Agent.

4. Shipper's combined USERID's and passwords are confidential and are used to identify Shipper. Shipper agrees that only authorized persons of Shipper will be given USERID's and passwords and only authorized persons will be permitted to access the Interactive Internet Website on Shipper's behalf. Shipper agrees to keep confidential all USERIDs and passwords issued by Transporter to Shipper for use on the Interactive Internet Website. Shipper further agrees that Shipper and its authorized persons will not disclose its USERIDs and passwords, either separately or combined, to anyone without authority to access the Interactive Internet Website for Shipper. Any use of the Interactive Internet Website by any authorized person using any of Shipper's USERIDs and/or passwords shall be deemed to be use by Shipper and Shipper agrees to be responsible for and to accept liability for any such use.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 293** Third Revised Sheet No. 293  
Superseding: Substitute Second Revised Sheet No. 293

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

5. Certain information contained in the Interactive Internet Website is proprietary and confidential. Shipper agrees not to disclose or otherwise make available confidential information to any other company, corporation or third party, whether such information is accessed in an authorized or unauthorized manner. This provision does not apply to any public information maintained by Transporter on the Internet Web Site, as such information is available to all parties.

6. Shipper agrees to notify Transporter if there is any indication that a security breach has occurred with regard to Shipper's USERIDs and passwords. This includes, but is not limited to (i) loss of confidentiality of USERIDs and passwords; (ii) termination of employment of any authorized person; or (iii) loss of authority to access the Interactive Internet Website by any authorized person. Such notification shall be made to Transporter's Contract Administration Department immediately by telephone and shall be followed by written notification within 5 Business Days.

7. Shipper agrees to attempt to access only that data for which Shipper has authorization. All access attempts, whether successful or unsuccessful, are recorded.

8. Transporter shall operate its Interactive Internet Website in a prudent manner. Except for the negligence, fraud, or willful misconduct of Transporter, Transporter expressly disclaims liability for loss or damage resulting from Shipper's actions or breach of this Agreement, events of Force Majeure, any defects in computer software, hardware, or programming, or any interruption in or malfunction of electronic communication or transmission. Shipper agrees to defend, indemnify and hold harmless Transporter, its affiliates and members and their respective officers, directors, employees and agents, from and against all claims, demands, damages, losses, costs and expenses (including court costs and reasonable attorney's fees) and liabilities of any nature whatsoever (collectively referred to herein as "Liabilities") arising out of any breach of this Agreement by Shipper or its authorized persons, or the use of the Interactive Internet Website or the information contained therein by Shipper, so long as such Liabilities are not the direct result of the negligence, fraud,

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 294** Third Revised Sheet No. 294  
Superseding: Substitute Second Revised Sheet No. 294

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

or willful misconduct of Transporter. The parties hereto agree that neither party shall be liable to the other party, or its corporate parent, subsidiaries or affiliates or members for any special, punitive, exemplary, indirect or consequential damages (including, without limitation, loss of profits or business interruptions) incurred by said party arising out of or in any manner related to this Agreement, the provision and use of the Interactive Internet Website, or the information contained therein.

9. Shipper understands and agrees that Transporter may act, and shall be fully protected in acting, in reliance upon any acts or things done or performed by persons utilizing Shipper's USERIDs and passwords on behalf of Shipper (so long as Transporter is not aware of a security breach), and that Transporter shall be held harmless from any omission or failure by Shipper to act or perform any duty required by a function accessed through the Interactive Internet Website.

10. A USERID that is inactive for ninety (90) days shall be automatically suspended. If Shipper's USERID is suspended as set forth herein, Shipper may contact Transporter's Contract Administration Department to have its USERID reinstated.

11. Transporter reserves the right to invalidate Shipper's USERIDs and passwords at any time in the event Shipper breaches any of the terms of this Agreement and such breach, in Transporter's sole judgment, threatens the security or integrity of the system and Shipper fails to cure the breach within twenty four (24) hours of notification from Transporter. If Transporter terminates the Interactive Internet Website system pursuant to the following paragraph, Transporter shall invalidate Shipper's USERIDs and passwords effective on the date of the termination of the Interactive Internet Website.

12. Transporter reserves the right to modify or terminate the Interactive Internet Website at any time so long as such modification or termination is not prohibited by the regulations of the Federal Energy Regulatory Commission.

13. Subject to the provisions of Paragraph 12 herein, this Agreement shall be in effect as of the date written above and shall continue unless and until canceled by either party on ten (10) days' written notice given to the other party prior to the end of any calendar month to be effective at the end of such month.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Fourth Revised Sheet No. 295** Fourth Revised Sheet No. 295  
Superseding: Third Revised Sheet No. 295

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

14. To the extent Shipper utilizes the Internet Web Site to transmit and receive dispatching notices under the General Terms and Conditions of the FERC Gas Tariff of Transporter, then provisions of the General Terms and Conditions shall be deemed to be satisfied and notice on the Internet Web Site shall constitute valid notice between the parties.

15. THE PROVISIONS OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.

16. Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members of Transporter.

17. Unless specifically provided in this Agreement, any written notice or other communication shall be deemed given when received by the party entitled to notice, except that if received after 5:00 p.m. central clock time on any day, such notice shall be deemed given on the next Business Day. Notices shall be directed as follows:

(a) if to Shipper, to:

\_\_\_\_\_  
Attn: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

\_\_\_\_\_  
Facsimile: \_\_\_\_\_

(b) if to Transporter, to:

Garden Banks Gas Pipeline, LLC

Attn: \_\_\_\_\_

1100 Louisiana, Suite 3300

Houston, TX 77002

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

In like manner either party may change the address to which notices to it should be directed.

Effective Date: 04/12/2006 Status: Effective  
FERC Docket: RP06-272-000

**Second Revised Sheet No. 295A** Second Revised Sheet No. 295A : Effective  
Superseding: First Revised Sheet No. 295A  
FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

Please indicate your agreement with the above by signing below and returning one completely executed original to Transporter.

Yours very truly,

GARDEN BANKS GAS PIPELINE, LLC

By: \_\_\_\_\_

—

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Shipper)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-272-000

**Second Revised Sheet No. 296** Second Revised Sheet No. 296 : Effective  
Superseding: First Revised Sheet No. 296  
FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

EXHIBIT "A"  
Agency Agreement

Garden Banks Gas Pipeline, LLC (Transporter) and \_\_\_\_\_ (Shipper) are parties to a letter agreement dated \_\_\_\_\_ (hereinafter Interactive Internet Website Agreement) which sets forth the terms and conditions for Shipper's use of Transporter's Interactive Internet Website to receive transportation service information on Transporter's Facility (as defined in the General Terms and Conditions of Transporter's FERC Gas Tariff). This agency agreement (Agency Agreement) shall constitute an agreement pursuant to which Shipper appoints an agent and representative under the Interactive Internet Website Agreement for the purposes set forth below.

Accordingly, Shipper hereby appoints \_\_\_\_\_ (hereinafter Agent) as its agent and representative to act on behalf of Shipper in performing the menu functions indicated by the Shipper on the Interactive Internet Website Access Request Form, including those functions which are presently available and those functions which shall become available at a later date. Agent agrees to be bound by the terms and conditions set forth in the Interactive Internet Website Agreement.

It is understood and agreed that Transporter may act, and shall be fully protected when acting, in reliance on any acts or things done or performed by Agent on behalf of Shipper with respect to all matters for which authority is granted herein until Transporter receives notice that this Agency Agreement has been canceled by either party hereto. Shipper shall hold Transporter harmless from any omission or failure by Agent to act or perform any of the duties herein authorized.

Please indicate agreement with the above by signing below. This Agency Agreement shall be effective as of the last date written below.

Shipper  
By: \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Above Agency Accepted:

By: \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Third Revised Sheet No. 296A** Third Revised Sheet No. 296A  
Superseding: Second Revised Sheet No. 296A

EXHIBIT "B"  
INTERACTIVE INTERNET WEBSITE ACCESS REQUEST FORM

Authorized Employee/Agent's Name: \_\_\_\_\_

Email Address \_\_\_\_\_@\_\_\_\_\_

Company (Employer): \_\_\_\_\_ Phone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Physical Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SHIPPER COMPANY INFORMATION:

Complete Legal Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Physical Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

DUNS No.: \_\_\_\_\_ Federal Tax ID No.: \_\_\_\_\_

Indicate Update Capabilities for this Authorized Employee/Agent:

- \_\_\_\_\_ Execute Contracts, Amendments and Accept Discounts
- \_\_\_\_\_ Make Imbalance Elections/Trades
- \_\_\_\_\_ Request New Service, Amendments and Discounts
- \_\_\_\_\_ Receive and administer the payment of any and all invoices
- \_\_\_\_\_ Submit Capacity Release Offers, Bids, Recall and Reput
- \_\_\_\_\_ Submit Confirmations, PDAs, Storage Transfers
- \_\_\_\_\_ Submit Nominations and Storage Transfers
- \_\_\_\_\_ View only access to Interactive Internet Website screens, email, web page and reports for SHIPPER will be available to SHIPPER'S authorized employee

USER'S Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Officer of SHIPPER Company Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Officer of SHIPPER Company Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

FOR INTERNAL USE ONLY

Garden Banks Gas Pipeline, LLC Officer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

USER ID: \_\_\_\_\_ Shipper# (if no DUNS) \_\_\_\_\_

Security approved by: \_\_\_\_\_ Date: \_\_\_\_\_

PLEASE FAX COMPLETED FORM TO (832) 214-5791

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Sixth Revised Sheet No. 297** Sixth Revised Sheet No. 297  
Superseding: Fifth Revised Sheet No. 297

FORM OF SERVICE REQUEST FORM

Requests for service under Garden Banks' FERC Gas Tariff shall be deemed valid only after the following information is provided by Shipper in writing to Garden Banks' Contract Administration, at 1100 Louisiana, Suite 3300, Houston, Texas 77002, via email to, or Facsimile Number (832) 214-5791. Acceptance of a request is contingent upon a satisfactory credit appraisal by Garden Banks in accordance with Section 34 of the "General Terms and Conditions" of its FERC Gas Tariff.

Date of Request: \_\_\_\_\_

I. Shipper (Full Legal Name): \_\_\_\_\_  
Contact Name/Department: \_\_\_\_\_  
Shipper Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_  
Facsimile No.: \_\_\_\_\_  
Email address: \_\_\_\_\_

II. Type of legal entity and state of incorporation:

\_\_\_\_\_  
\_\_\_\_\_

III. Type of company:

\_\_\_\_ Interstate Transporter  
\_\_\_\_ Local Distribution Company  
\_\_\_\_ Intrastate Transporter  
\_\_\_\_ Producer  
\_\_\_\_ End-User  
\_\_\_\_ Marketer  
\_\_\_\_ Broker  
\_\_\_\_ Other (describe) \_\_\_\_\_

Shipper's Federal Tax ID # \_\_\_\_\_  
Shipper's DUNS # \_\_\_\_\_

Type of Service (circle one) FT-1 FT-2 FT-3 IT-1  
(Other type of Service) \_\_\_\_\_

Modifying Existing Service?: \_\_\_ Y \_\_\_ N

Transportation Rate Requested: \_\_\_\_\_

IV. Production Platform (Block No.): \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 298** Second Revised Sheet No. 298  
Superseding: First Revised Sheet No. 298

FORM OF SERVICE REQUEST FORM

V. Maximum Daily Quantity (MDQ) Requested: \_\_\_\_\_ Dth  
Dates of Service: Commencing \_\_\_\_\_ Ending \_\_\_\_\_  
\_\_\_\_\_ Evergreen: \_\_\_\_\_ Month to Month \_\_\_\_\_ Year to Year  
\_\_\_\_\_ Life of Reserves/Lease

VI. Receipt Point(s): \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_

VII. Agent ( ) or Marketer ( ):  
\_\_\_\_\_  
Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Facsimile No.: \_\_\_\_\_  
Email address: \_\_\_\_\_  
If Agent, is Agent responsible for: Accounting, Invoices Y \_\_\_ N \_\_\_  
Nominations, Scheduling Y \_\_\_ N \_\_\_

VIII. Credit Evaluation - A Shipper seeking service from Transporter under Rate Schedules FT-1, FT-2 or IT-1 must comply with the creditworthiness criteria as described in the General Terms and Conditions of the Garden Banks Tariff. Representatives of Shipper (up to two) who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information:

Name	Email Address
_____	_____
_____	_____

IX. Shipper understands that this request form, complete and unrevised as to format, must be received by Transporter before the transportation request will be accepted and processed.

Shipper, by its signature, certifies to Transporter (1) that the information above is correct and accurate and that all necessary transportation arrangements with the upstream and downstream transporters have been or will be secured prior to the commencement of the requested transportation service and (2) that Shipper will have title to the gas that is to be delivered to Transporter and (3) that Shipper will advise Transporter of any changes in the information provided.

X. Requested by: \_\_\_\_\_ (signature)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email Address: \_\_\_\_\_

*Effective Date: 09/01/2005 Status: Effective*

*FERC Docket: RP05-453-000*

**Sheet Nos. 299-301** Sheet Nos. 299-301 : Effective

These Sheets 299 - 301 Reserved for Future Use.

Effective Date: 12/01/2004 Status: Effective  
FERC Docket: RP05- 56-000

**First Revised Sheet No. 300** First Revised Sheet No. 300 : Effective  
Superseding: Original Sheet No.300  
FORM OF SERVICE REQUEST FORM

11. Name and description of Delivery Point(s) where Transporter will redeliver the gas and the maximum daily quantities expressed in Mcf of gas to be redelivered by Transporter at each point. (If the request is for service under Rate Schedules FT-1 or FT-2 then the sum of the maximum daily quantities above must equal the maximum daily quantity in 9 above.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Credit Evaluation - Unless previously provided to Transporter in the prior three months, a Shipper seeking service from Transporter under Rate Schedules FT-1, FT-2 or IT-1 must provide:

(a) a copy of Shipper's most recent twelve months audited financial statements or Annual Report and, if applicable, form 10-K; or

if not available

(b) a copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statements fairly present the financial condition and results of operation of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases

(c) a list of Shipper's affiliates, including parent and subsidiaries, if applicable.

13. Is Shipper affiliated with Garden Banks Gas Pipeline, LLC?  
\_\_\_\_\_ Yes \_\_\_\_\_ No  
If yes, what is the percentage of affiliation? \_\_\_\_\_ %

14. Is your supplier affiliated with Garden Banks Gas Pipeline, LLC?  
\_\_\_\_\_ Yes \_\_\_\_\_ No  
If yes, what is the percentage of affiliation? \_\_\_\_\_ %

Effective Date: 12/01/2004 Status: Effective  
FERC Docket: RP05- 56-000

**First Revised Sheet No. 301** First Revised Sheet No. 301 : Effective  
Superseding: Original Sheet No.301  
FORM OF SERVICE REQUEST FORM

Shipper understands that this request form, complete and unrevised as to format, must be received by Transporter before the transportation request will be accepted and processed.

Shipper, by its signature, certifies to Transporter (1) that the information above is correct and accurate and that all necessary transportation arrangements with the upstream and downstream transporters have been or will be secured prior to the commencement of the requested transportation service and (2) that Shipper will have title to the gas that is to be delivered to Transporter and (3) that Shipper will advise Transporter of any changes in the information provided in item 14 five business days prior to the end of any month for the preceding month's transportation business in which a change occurred.

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
 FERC Docket: RP10-594-000

**Fifth Revised Sheet No. 302** Fifth Revised Sheet No. 302  
 Superseding: Fourth Revised Sheet No. 302

SHIPPER NOMINATION FORM

Shipper Name: _____	Garden Banks Gas Pipeline, LLC
Master Contract No.: _____	Contract Administration
Service Contract No.: _____	1100 Louisiana, Suite 3300
Type of Service: _____	Houston, Texas 77002
Effective Date: _____	
End Date: _____	
Shipper Contact: _____	Telephone _____
Title: _____	Fax _____
Date: _____	
Phone No.: _____	
Fax No.: _____	

Receipt Point Meter Code	Interest Owner Dth	Supplier	Receipt Dth	Upstream Contract
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Delivery Meter	Delivery Dth	Downstream Contract	Rank	Make-up Volume
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Note: Please confirm changes with Garden Banks Gas Pipeline, LLC at:  
 \_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 303** First Revised Sheet No. 303  
Superseding: Original Sheet No. 303

CUSTOMER NOMINATION FORM

ALL INFORMATION MUST BE FURNISHED TO GARDEN BANKS GAS PIPELINE, LLC  
PURSUANT TO SECTION 11 OF THE GENERAL TERMS AND CONDITIONS OF GARDEN BANKS GAS  
PIPELINE, LLC'S FERC GAS TARIFF.

Shipper:  
Contact: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

Date:

Number: \_\_\_\_\_

Facsimile:

Effective Date: 11/01/1999 Status: Effective  
FERC Docket: RP00- 19-000

**First Revised Sheet No. 304** First Revised Sheet No. 304 : Effective  
Superseding: Original Sheet No.304  
FORM OF NGL BANK AGREEMENT

This NGL Bank Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between Southern Petroleum Laboratories ("Administrator") and \_\_\_\_\_ ("Shipper").

WHEREAS, Garden Banks Gas Pipeline, LLC ("Transporter") operates the Garden Banks Gas Pipeline ("Transporter's Facility"); and

WHEREAS, Shipper's natural gas is transported on Transporter's Facility pursuant to Transportation Service Agreement(s) or Service Agreement(s) for Temporary Release of Firm Transportation Capacity ("TSA") between Shipper and Transporter; and

WHEREAS, Transporter and Shipper desire to establish a NGL Bank for the benefit of all shippers on Transporter's Facility; and

WHEREAS, Administrator has agreed to administer such a NGL Bank for the benefit of all shippers on Transporter's Facility in accordance with the terms and conditions contained herein;

NOW THEREFORE, Administrator and Shipper agree as follows:

ARTICLE I  
PURPOSE

The purpose of the NGL Bank is to provide a mechanism by which to mitigate inequities that may occur between shippers on Transporter's Facility as a result of such shippers' natural gas streams containing different NGL (as defined herein) compositions being commingled in a pipeline with multiple delivery points located upstream of gas processing facilities. Transporter's obligation to accept natural gas tendered by Shipper at the Receipt Point and to deliver "equivalent quantities", as defined in Transporter's Original Volume No. 1 Gas Tariff, at the Delivery Points under the provisions of a TSA shall not be modified by any provision of this Agreement. Therefore, Shipper acknowledges that Transporter is not obligated to deliver to any shipper at a Delivery Point the same volume of liquefiable hydrocarbons as it received from the same shipper at a Receipt Point.

Effective Date: 11/01/1999 Status: Effective  
FERC Docket: RP00- 19-000

**First Revised Sheet No. 305** First Revised Sheet No. 305 : Effective  
Superseding: Original Sheet No.305  
FORM OF NGL BANK AGREEMENT

ARTICLE II  
DEFINITIONS

2.1 Natural Gas Liquids ("NGL") is a term that is sometimes used to refer to liquefiable hydrocarbons that are present in the vapor phase in natural gas streams and is sometimes used to refer to hydrocarbons in a liquid state after extraction or condensation from the gas stream, and shall, in either case, include natural gasoline (pentane plus heavier hydrocarbons), butanes, propane and ethane.

2.2 Production Point shall mean the producing field from which natural gas is produced that is located upstream of Transporter's Receipt Point.

2.3 Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in Transporter's Original Volume No. 1 Gas Tariff.

ARTICLE III  
TERM

Except as otherwise provided for in Article VIII herein, this Agreement shall be effective as of the effective date of the TSA between Transporter and Shipper, or June 1, 1998, whichever is later, and shall remain in force and effect for the term of such TSA. In the event that there is more than one (1) TSA between Transporter and Shipper, the effective date of this Agreement shall coincide with the earliest effective date of any of such TSA's, or June 1, 1998, whichever is later and shall remain in force and effect for a term to coincide with the latest of any of such TSA's to expire.

ARTICLE IV  
SHIPPER PARTICIPATION

4.1 Shipper agrees to (i) participate in the NGL Bank, either in person or through its agent, with the relevant agency agreement provided to Administrator prior to said agent's participation in the NGL Bank on behalf of Shipper, (ii) make settlements in accordance with the provisions of Article V of this Agreement, and (iii) pay the Administrative Fees billed by Administrator to Shipper, or its agent, for administration of the NGL Bank pursuant to Article V of this Agreement. Designation of an agent shall not relieve Shipper from any rights or responsibilities arising from this Agreement.

4.2 The Administrator shall establish the GBGP NGL Bank Advisory Group ("AG") to provide a forum to discuss and consider material NGL Bank issues if, and when, they arise. Each shipper shall appoint a single representative to serve on the AG. Administrator will chair the AG, convene meetings as needed, and retain third-party services as appropriate. Resolution of issues brought forward to the AG will be by simple majority vote of the respective representatives of the then shippers, with each representative having a single vote.

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: RP01-528-000

**Third Revised Sheet No. 306** Third Revised Sheet No. 306 : Effective  
Superseding: Second Revised Sheet No. 306  
FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS

5.1 Settlement Calculations. The NGL Bank settlement calculations to be performed by the Administrator shall involve a process that is intended to estimate the monthly theoretical gross processing margin economics for each Shipper's natural gas stream. For purposes of this Agreement, such monthly theoretical gross processing margin economics shall be calculated as follows:

a) A shipper's revenue from theoretical processing shall be calculated by first determining the differences between such shipper's Production Point NGL components upstream from that Production Point's Receipt Point, adjusted for phase change attributable to Retrograde Condensate and injected condensate, if any, and the weighted average NGL components for all of the Production Points upstream of the various Receipt Points on Transporter's Facility, adjusted for phase change attributable to Retrograde Condensate and injected condensate, if any. The differences between a shipper's Production Point NGL components and the weighted average NGL components for all of the Production Points upstream from the various Receipt Points on Transporter's Facility shall then be adjusted by applying representative component recovery factors to provide a likely NGL volume which would be available after theoretical processing ("Theoretical NGL Recovery"). Such representative component recovery factors shall be determined by using the allocated recoveries from the allocation statements of the gas plants which process gas delivered from Transporter's Facility to interstate pipelines which, in turn, deliver the gas to the processing plants ("plants") and once such representative component recovery factors are determined, same shall be weighted according to the volume of gas delivered from Transporter's Facility to the Plants compared to the total volume of gas delivered from Transporter's Facility. Each month, new representative component recovery factors shall be calculated using the aforementioned procedure. The Theoretical NGL Recovery for each individual NGL component shall then be multiplied by the representative Plant lease settlement basis and the representative sales price for each individual NGL component to yield a sum to be known as the "Theoretical Revenue" for each individual NGL component. For purposes of this Agreement, the representative Plant lease settlement basis shall be eighty percent (80%), which may be adjusted from time-to-time at the Administrator's reasonable discretion. For purposes of this Agreement, the representative sales price for each individual NGL component shall be determined as follows:

Effective Date: 05/10/2010 Status: Effective

FERC Docket: RP10-594-000

**Second Revised Sheet No. 307** Second Revised Sheet No. 307  
Superseding: First Revised Sheet No. 307

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.1 Settlement Calculations (a) cont'd

i. The representative sales price for ethane shall be based on the average of the high and low Mt. Belvieu price quotes for Purity published by Oil Price Information Services (OPIS) for the last (2) two Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.

ii. The representative sales price for propane shall be based on the average of the high and low Mt. Belvieu price quotes for TET and NON-TET Propane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.

iii. The representative sales price for isobutane shall be based on the average of the high and low Mt. Belvieu price quotes for NON-TET Isobutane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.

iv. The representative sales price for normal butane shall be based on the average of the high and low Mt. Belvieu price quotes for NON-TET Normal Butane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.

v. The representative sales price for natural gasoline shall be based on the average of the high and low Mt. Belvieu price quotes for River Natural Gasoline published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00-19-000

**First Revised Sheet No. 308** First Revised Sheet No. 308 : Effective  
Superseding: Original Sheet No.308

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.1 Settlement Calculations cont'd

b) NGL Bank settlements shall be calculated for each Receipt Point on Transporter's Facility for each shipper based upon the shipper's GPM (gallons per MCF of natural gas) at each Receipt Point relative to the weighted average GPM for all Receipt Points on Transporter's Facility, as further set forth on Exhibit "B", attached hereto and incorporated herein by reference. The total Theoretical Revenue for each shipper's NGL components at each Receipt Point shall be reduced by subtracting the "Shrinkage Cost" at each Receipt Point. For purposes of this Agreement, Shrinkage Cost shall be defined as the sum of the products derived when multiplying the "Heat Content" for each of the adjusted NGL components by the respective "Value of the BTU's" for each of the adjusted NGL components. For purposes of this Agreement, the Heat Content for the adjusted NGL components shall be as set forth under the heading "Gross Heating Value, Btu/gal, fuel as liquid" in the most current GPA Publication 2145, currently Publication 2145-96. For heptane and heavier hydrocarbons, however, the Heat Content shall be the sum of the products derived by multiplying the heptane Heat Content by 50% and by multiplying the hexane Heat Content by 50%. For purposes of this Agreement, the Value of the BTU's shall be determined monthly based on the numerical average of the Index Price quotes published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month of production, under the heading "Prices of Spot Gas Delivered To Pipelines" for: (1) ANR Pipeline Co., Louisiana; (2) Columbia Gulf Transmission Co., Louisiana; (3) Tennessee Gas Pipeline Co. La. & Offshore (zone 1); (4) Transcontinental Gas Pipe Line Corp., Zone 3 (pooling points); and (5) Market Center Spot-Gas Prices, South Louisiana, Henry Hub. From time-to-time, Administrator shall review the aforementioned Index Prices and make adjustments as reasonably necessary for purposes of determining the value of the Btu's.

c) If, after performing the calculations described in Section 5.1.a (and its subsections) and Section 5.1.b, the monthly theoretical gross processing margin calculated for ethane is negative, then for purposes of making NGL Bank settlements to shippers, ethane will not be included for that particular month. This is representative of "ethane rejection" experienced in gas processing. If, after performing the calculations described in Section 5.1.a (and its subsections) and Section 5.1.b, the monthly theoretical gross processing margin calculated for propane is also negative, then no NGL Bank settlements will be made on any NGL components for that particular month, and only the fee for administrating the NGL Bank will be charged by the Administrator as described in Section 5.3.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 309** Second Revised Sheet No. 309  
Superseding: First Revised Sheet No. 309

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.1 Settlement Calculations cont'd

d) In the event that any of the Plants issue revised allocation statements, any resulting NGL Bank settlement adjustments will be limited to instances where adjustments, either positive or negative, for all Plants collectively exceed \$20,000. Notwithstanding the above, no NGL Bank Settlement adjustments will be made for revised Plant allocation statements received more than two (2) years following the month of production.

5.2 Shipper Data Requirements. Shipper hereby agrees to provide, or require the point operator at the Receipt Points on Transporter's Facility used by Shipper to provide Administrator with each Production Point's volume (MCF), quality (Btu/CF), NGL composition data, C2+ GPM and any other information Administrator may reasonably require in the performance of this Agreement including, but not limited to, pipeline routing, gas plant destination and processing fee(s) for Shipper's gas for each Production Point, by the last day of the succeeding month for the previous month. Shipper agrees to indemnify and hold Administrator harmless from and against any and all claims that arise from Administrator's exclusive reliance on such data in the performance of this Agreement. Administrator shall have the right to audit any information supplied to Administrator by Shipper or the point operator in connection herewith including, but not limited to, viewing the facilities, equipment, and procedures used in supplying such information to Administrator. In the case of natural gas proportional to flow sampler failure, or associated like equipment, Administrator may use, at its reasonable discretion, a spot sample, the previous month's data, or some other reasonable estimate. All NGL composition data shall be converted to GPM factors by using volume factors from the most current GPA Publication 2145, currently Publication 2145-96, and adjusted to a 15.025 psia pressure base.

5.3 Administrative Fees. Total monthly payments due Administrator to administer the NGL Bank for the period beginning January 1, 2010, as further detailed on Exhibit A, attached hereto and incorporated herein by reference, shall be (i) \$3,000.00 per month, plus an additional \$150.00 per shipper or agent per month for all months in which NGL Bank settlements are made by Administrator or (ii) \$1,500.00 per month, plus an additional \$100.00 per shipper or agent per month for all months in which no NGL Bank settlements are made by Administrator. The above monthly payments shall be charged pro-rata to each shipper based upon each shipper's total monthly quantity of natural gas, in Dekatherms ("Dth"), transported on Transporter's Facility as compared to the total monthly quantity of natural gas, in Dth, transported by all shippers on Transporter's Facility for such month.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00- 19-000

**Original Sheet No.310** Original Sheet No.310 : Effective

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.3 Administrative Fees cont'd

Any additions or modifications to the model used to calculate the NGL Bank settlements as provided in Section 5.1, other than those relating to new shipper setup, shall be charged by Administrator at \$500/day, not to exceed \$1,000.00 per occurrence. Any such fees shall be charged to shippers based on the above allocation.

On and after October 1, 1999, each new shipper or agent on Transporter's Facility shall be charged a one-time fee of \$1,000.00 by Administrator in addition to the monthly pro-rated administrative fees noted above.

All fees provided for in this Section 5.3 shall be adjusted as of the first day of June each year commencing June 1, 2000. The adjustment shall be computed by multiplying the cost and/or fee then in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the Index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics. Such adjustment shall be effective June 1, and shall be applicable from said date until May 31 of the following year.

5.4 NGL Bank Billings and Payments. Administrator shall invoice Shipper or its designated agent for any net NGL bank settlement amounts due (if applicable) and NGL Bank administrative fees in the month following the month in which all necessary data is received by the Administrator to perform NGL Bank settlement calculations. If Administrator has not received such data by the time it receives the Bluewater Plant allocation, Administrator, at its sole discretion, may make reasonable approximations in lieu of late or missing data. Shipper agrees that it, or its designated agent, will abide by and will pay any such invoice in accordance with the provisions of Sections 14.2 through 14.7 of the General Terms and Conditions of Transporter's Original Volume No. 1 Gas Tariff ("GT&C"). If, for any month, Administrator is required to distribute NGL Bank settlement funds to Shipper, Administrator shall be entitled, in its sole discretion, to net the amount of any such NGL Bank settlement funds owed to Shipper against the administrative fees owed by Shipper to Administrator for such Month, in which case Administrator shall distribute to Shipper the excess (if any) of such NGL Bank settlement funds owed to Shipper over such administrative fees owed by Shipper to Administrator.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00-19-000

**Original Sheet No.311** Original Sheet No.311 : Effective

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.4 NGL Bank Billings and Payments cont'd

Designation of agent does not relieve Shipper from any rights or responsibilities arising from this Agreement. After receipt of such payments from shippers or their designated agents owing the NGL Bank, Administrator shall, during the next following month, remit payment from the NGL Bank to Shipper or its designated agents, if due, less any adjustments for administrative expenses related to the NGL Bank. To the extent that all monies due the NGL Bank for a particular month are not received in a timely manner from shippers or their designated agents owing the NGL Bank, Administrator shall pro-rate monies available for disbursement from the NGL Bank to shippers owed monies by the NGL Bank based upon the total amount owed any such shipper compared to the total amount owed to all shippers for that month. Administrator shall make appropriate adjustments in the succeeding months until any such shortfalls have been satisfied; provided, however, that the Administrator shall not be required to pay interest on the unpaid portion of any amount due any shipper. Notwithstanding anything else to the contrary herein, in no event shall the Administrator be obligated to pay out more funds from the NGL Bank than it has received from shippers, after adjustment for administrative expenses. Shipper will be charged interest on late payments or partial payments as stated in the Transporter's GT&C. Any interest collected by the Administrator hereunder attributable to payment shortfalls into the NGL Bank shall be pro-rated among those shippers owed money from the NGL Bank taking into consideration the amount owed and the length of time such amount has been owed.

Shipper acknowledges and agrees that Administrator shall not be obligated to disperse any NGL Bank settlement funds to Shipper unless and until Administrator has received sufficient settlement funds from other shippers to pay the amounts due Shipper. It is the intent of the parties hereto that Administrator shall act only as a conduit for NGL Bank settlement funds and shall have no personal obligation or liability for any settlements due Shipper.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00- 19-000

**Original Sheet No.312** Original Sheet No.312 : Effective

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.5 Legal Action. Administrator shall, as to any and all shippers owing sums to the NGL Bank, make all reasonable efforts, including, but not limited to the institution of legal action or proceedings to collect sums due the NGL Bank. If Administrator initiates legal action or proceedings to enforce the obligations of Shipper owing sums to the NGL Bank and prevails in any such action or proceedings, then in addition to any remedies awarded to Administrator, Administrator shall be entitled to reimbursement by such Shipper of costs and expenses (including, without limitation, reasonable attorney's fees and expenses, court costs and filing fees) incurred in bringing such action or proceeding. If Administrator undertakes to enforce the obligations of any third party shipper with respect to the NGL Bank, whether pursuant to the initiation of legal action or proceedings or otherwise, Shipper agrees to reimburse Administrator, within ten (10) days after Shipper's receipt of Administrator's invoice therefor, for Shipper's proportionate share of all costs and expenses (including attorney's fees and expenses, court costs, and filing fees) incurred by Administrator in the enforcement of the obligations of such third party shipper with respect to the NGL Bank, such proportionate share being equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of shippers participating in the NGL Bank which are not then in Default (as hereinafter defined) under their respective NGL Bank Agreements with Administrator. To the extent that Administrator is successful in enforcing the obligations of such third party shipper with respect to the NGL Bank, Administrator shall reimburse Shipper for Shipper's proportionate share (determined as provided in the preceding sentence of this Section 5.5) of any recovery received by Administrator for the costs and expenses (including, without limitation, attorney's fees and expenses, court costs, and filing fees) incurred by Administrator in connection with the enforcement of such obligations.

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FERC Docket: RP10-594-000

**First Revised Sheet No. 313** First Revised Sheet No. 313  
Superseding: Original Sheet No. 313

FORM OF NGL BANK AGREEMENT

ARTICLE V  
SETTLEMENTS  
Cont'd

5.6 Default; Remedies. For purposes of this Agreement, the term "Default" means: (a) Shipper shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such a petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent; or (iv) be unable to pay its debts as they fall due; (b) the failure by Shipper to make, when due, any payment required under this Agreement if such failure is not remedied within ten (10) days after written notice of such failure is given by Administrator, provided the payment is not the subject of a good faith dispute; or (c) the failure by Shipper to perform any covenant set forth in this Agreement (other than an obligation to make payment), and such failure is not remedied within ten (10) days after written notice thereof by Administrator. Upon the occurrence of a Default, Administrator will have the right to exercise all rights and remedies available to it under this Agreement, at law, and in equity, including the rights: (a) to file suit to seek damages or equitable remedies; and (b) to suspend performance hereunder (including, without limitation, the withholding of any payments due hereunder) until the relevant Default has been remedied.

ARTICLE VI  
AUDITS

6.1 Shipper, upon sixty (60) days prior written notice to the Administrator and all other shippers, shall have the right, at reasonable times, to inspect and audit the accounts, records, documents and data of the Administrator pertaining to the NGL Bank, provided, however, that any such audit shall be performed within twenty-four (24) months following the end of the calendar year for which any such accounts, records, documents and data are in question. The cost of conducting the audit (including Administrator's costs) and resolving the exceptions and adjustments thereto shall be borne solely by the shipper(s) auditing the system records.

6.2 Should the audit result in a claim by a shipper, then a written response shall be made by the Administrator as soon as practical, but in no event later than one hundred and twenty (120) days from the date the Administrator's receipt of such claim. Any NGL Bank settlement adjustments determined to be due any shipper shall be made within sixty (60) days of determination thereof.

Effective Date: 11/01/1999 Status: Effective  
FERC Docket: RP00- 19-000

**Original Sheet No.314** Original Sheet No.314 : Effective

FORM OF NGL BANK AGREEMENT

ARTICLE VII  
ASSIGNMENTS

7.1 Shipper may, without relieving itself of its obligations under this Agreement, assign its rights in this Agreement to any entity; provided, however, that any such assignment shall be subject to the assignment provision(s) of Shippers TSA(s).

7.2 Subsequent to May 1, 2004, Administrator may, without relieving itself of its obligations under this Agreement, assign its interest in this Agreement upon six (6) months prior written notice to all shippers; provided, however, that any assignment or transfer of Administrator's interest in this Agreement shall be subject to the approval of a simple majority of the shippers, with each shipper having a single vote.

7.3 Any party which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor-in-interest under this Agreement.

ARTICLE VIII  
REMOVAL OF ADMINISTRATOR

Subject to the approval of a simple majority of the shippers, with each shipper have a single vote, the Administrator may be removed hereunder and this Agreement shall terminate if:

- (i) Transporter decides to cease operation of Transporter's Facility their respective facilities for an indefinite period of time, or to sell or lease Transporter's Facility to a third party;
- (ii) Administrator becomes bankrupt or insolvent, commits or suffers any act of bankruptcy or insolvency, is placed in receivership, seeks debt or relief protection under any applicable legislation and such is not rectified within thirty (30) days of such event; or
- (iii) Administrator assigns or purports to assign its general powers and responsibility of supervision and management as Administrator hereunder in contravention of Article VII herein.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00- 19-000

**Original Sheet No.315** Original Sheet No.315 : Effective

FORM OF NGL BANK AGREEMENT

ARTICLE IX  
MISCELLANEOUS

9.1 SHIPPER AGREES THAT NEITHER ADMINISTRATOR OR TRANSPORTER SHALL HAVE ANY LIABILITY TO SHIPPER OR ITS DESIGNATED AGENT IN CONNECTION WITH THE OPERATION AND ADMINISTRATION OF THE NGL BANK AND SHIPPER HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS ADMINISTRATOR AND TRANSPORTER FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES, JUDGMENTS, LOSSES, PENALTIES, FINES, DAMAGES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS) IN CONNECTION THEREWITH. IT IS THE INTENT OF THE PARTIES THAT THIS INDEMNITY BE WITHOUT MONETARY LIMIT AND WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF THE INDEMNIFIED PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE OR THE STRICT LIABILITY OF THE INDEMNIFIED PARTY.

9.2 Shipper acknowledges and agrees that because other shippers' gas may have a different NGL content than that of Shipper, Transporter cannot and, therefore, is not obligated to deliver to each shipper at a Delivery Point the same volume of NGLs as received by Transporter from that shipper at a Receipt Point. Shipper also acknowledges and agrees that the commingled gas stream may contain more or less NGLs than Shipper delivered to Transporter at Transporter's points of gas receipt.

9.3 Shipper recognizes that settlement conducted under this Agreement, while intended to mitigate the inequity caused by one shipper's natural gas stream with relatively low NGL content being enriched by another shipper's natural gas stream with relatively high NGL content when those gas streams are commingled, will not necessarily eliminate any or all such inequities. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN, SHIPPER HEREBY ACCEPTS THE NGL BANK "AS IS" AND "WITH ALL FAULTS". SHIPPER ACKNOWLEDGES THAT NEITHER TRANSPORTER OR ADMINISTRATOR HAS MADE, AND TRANSPORTER AND ADMINISTRATOR HEREBY EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES, EITHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, QUALITY, MERCHANTABILITY OR CONDITION WITH RESPECT TO THE NGL BANK. SHIPPER EXPRESSLY ASSUMES THE RISK OF ANY DEFECT IN OR FAILURE OF THE NGL BANK AND HEREBY FULLY RELEASES AND RELIEVES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS TRANSPORTER AND ADMINISTRATOR WITH RESPECT TO ANY LIABILITY TO SHIPPER AS A RESULT THEREOF.

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**First Revised Sheet No. 316** First Revised Sheet No. 316  
Superseding: Original Sheet No. 316

FORM OF NGL BANK AGREEMENT

ARTICLE IX  
MISCELLANEOUS  
Cont'd

9.4 This Agreement is subject to Transporter's GT&C, as such may be modified or amended from time to time. In the event of a conflict between this Agreement and the GT&C, the provisions of this Agreement shall govern.

9.5 This Agreement shall be governed by and construed in accordance with the laws of the state of Texas without regard to principles concerning conflicts of laws.

9.6 Any notice, request, demand, statement, bill or payment provided for in this NGL Bank Agreement, or any notice which a party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by the other party at the following address:

(a) If to Shipper:

Address  
City, State, Zip Code  
Telephone:  
Facsimile:  
Attention:

(b) If to Administrator:

Address  
City, State, Zip Code  
Telephone:  
Facsimile:  
Attention:

9.7 It is recognized by the parties that the NGL Bank is a condition of service under Shipper's TSA with Transporter and the "Form of NGL Bank Agreement" is part of Transporter's Tariff. Accordingly, Administrator warrants to Shipper that at all times during the term of this Agreement it shall have such "Form of NGL Bank Agreement" in place with all such other shippers.

Effective Date: 11/01/1999 Status: Effective

FERC Docket: RP00- 19-000

**Original Sheet No.317** Original Sheet No.317 : Effective

FORM OF NGL BANK AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above, but effective for all purposes as of the earliest effective date of any TSA between Transporter and Shipper.

SHIPPER ADMINISTRATOR

By: \_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_  
\_\_\_\_\_

Effective Date: 05/10/2010 Status: Effective  
FERC Docket: RP10-594-000

**Second Revised Sheet No. 318** Second Revised Sheet No. 318  
Superseding: First Revised Sheet No. 318

EXHIBIT A TO FORM OF NGL BANK AGREEMENT  
INITIAL PAYMENTS DUE ADMINISTRATOR TO OPERATE  
THE NGL BANK BEGINNING JANUARY 1, 2010

Function/Activity	\$/month
Allocation and NGL Bank Calculations	\$3,000.00 plus \$150.00 per shipper*
Administration, including data gathering and verification	\$850.00*
Billing/Invoicing and Bank Reconciliation, when applicable	\$2,000.00*
Issues Management and Third Party Services Unknown but as incurred	

\*This number is adjusted annually, as specified in Section 5.3 of this Agreement.

Effective Date: 05/10/2010 Status: Effective  
 FERC Docket: RP10-594-000

**Second Revised Sheet No. 319** Second Revised Sheet No. 319  
 Superseding: First Revised Sheet No. 319

EXHIBIT B TO FORM OF NGL BANK AGREEMENT  
 EXAMPLE OF REPRESENTATIVE SHIPPER'S RECEIPT SETTLEMENT

In this example calculation, Shipper 1 would receive a payment from the NGL Bank:

Bank	Receipt Pt 1			Receipt Pt 2			Average	
	Receipt Pt 3	Ship2	Ship3	Ship4	Ship5	Ship6		
GPM	C2	1.33	0.81	1.24	1.07	1.24	0.73	1.17
GPM	C3	0.74	0.45	0.69	0.60	0.69	0.40	0.65
GPM	IC4	0.24	0.14	0.22	0.19	0.22	0.13	0.21
GPM	NC4	0.21	0.13	0.19	0.17	0.19	0.11	0.18
GPM	C5+	0.44	0.27	0.41	0.36	0.41	0.24	0.39
GPM	Total	2.96	1.81	2.77	2.38	2.77	1.62	2.60
	Btu/CF	1160	1100	1150	1130	1150	1090	Total
	Volume (MMSCF/D)		100	50	50	50	100	10
360	Btu/CF * MSCF/D		116000	55000	57500	56500	115000	10900
	410900							

Component	Shipper	GPM	GPM Delta from Avg.	Recovery Fraction	Lease	
Settle-ment	Fraction	NGL Bank Recovered GPM	NGL Price	cents/gal		
	Revenue [\$/month]					
C2	1.33	0.160	0.40	80%	0.051	23.50
C3	0.74	0.089	0.92	80%	0.065	37.63
IC4	0.24	0.028	0.98	80%	0.022	47.00
NC4	0.21	0.025	0.98	80%	0.020	44.00
C5+	0.44	0.053	0.85	80%	0.036	48.00
Total	2.96	0.355			0.195	
	Volume (MMSCFD)		100			

Component	Shipper	GPM	GPM Delta from Avg.	Recovery Fraction	BTU Factor	
(BTU/ Gal)	BTU Value (\$/MMBTU)	Shrinkage	Cost (\$/month]	Gross Margin		
	[\$/month]					
C2	1.33	0.160	0.40	65,869	\$2.50	\$31,610
C3	0.74	0.089	0.92	90,830	\$2.50	\$55,696
IC4	0.24	0.028	0.98	98,917	\$2.50	\$20,675
NC4	0.21	0.025	0.98	102,913	\$2.50	\$18,822
C5+	0.44	0.053	0.85	118,623	\$2.50	\$40,322
Total	2.96	0.355				\$167,125
Summary Shipper 1			Revenue	\$219,314.56		\$52,189

From Receipt Pt 1	Shrinkage Cost	\$167,125.29
	Gross Margin	\$52,189.27
	NGL Bank's Fee	\$ 862.23 = (\$2,700* 116000/410900 +

\$100)  
 Shipper's (Payable)/Receivable \$ 53,051.50  
 AVERAGE NGL QUALITY

Receipts into bank above average NGL content - Shipper is paid.  
 Deliveries from the bank above average NGL content - Shipper pays.  
 Receipts into bank below average NGL content - Shipper pays.  
 Deliveries from the bank below average NGL content - Shipper is paid.

*Effective Date: 11/01/1999 Status: Effective*

*FERC Docket: RP00- 19-000*

**Sheet Nos.320-409** Sheet Nos.320-409 : Effective

Sheet Nos. 320-409 are reserved for future use.

*Effective Date: 12/10/1998 Status: Effective*

*FERC Docket: RP99-148-000*

**Second Revised Sheet No. 410** Second Revised Sheet No. 410 : Effective

Superseding: First Revised Sheet No. 410

INDEX OF FIRM SHIPPERS

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