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FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

of

MIDCONTINENT EXPRESS PIPELINE LLC

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning this Tariff
Should be Addressed to:

Bruce H. Newsome, Vice President
Midcontinent Express Pipeline LLC
3250 Lacey Road, 7th Floor
Downers Grove, Illinois 60515-7901
Telephone: (630) 725-3070
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PRELIMINARY STATEMENT

MIDCONTINENT EXPRESS PIPELINE LLC ("MEP" or "Transporter") is a partnership of Kinder Morgan Energy Partners, L.P. and ETC Midcontinent Express Pipeline L.L.C., a subsidiary of Energy Transfer Partners, L.P. ("ETP"). MEP is a natural gas company primarily engaged in the business of transporting natural gas in the States of Texas, Louisiana, Mississippi and Alabama for delivery to other interstate and intrastate pipelines.

The Currently Effective Rates, Rate Schedules, General Terms and Conditions, and Forms of Service Agreement applicable to the transportation services performed by MEP are contained herein.

Original Sheet No. 4 Original Sheet No. 4

SYSTEM MAP

CURRENTLY EFFECTIVE RATES
ENOGEX LEASED CAPACITY CHARGES 1/

Firm Transportation 2/	
Waynoka	$.17
Other West Zone	$.15
East Zone	$.09
Interruptible Transportation 3/	
Waynoka	$.17
Other West Zone	$.15
East Zone	$.09
Authorized Overrun 3/	
Waynoka	$.17
Other West Zone	$.15
East Zone	$.09
Fuel (Inclusive of Gas Lost and Unaccounted For) 4/ 5/	
Leased Capacity Activity Charges 6/	

1/ Enogex Leased Capacity Charges are defined in Sections 1.23 and 1.24 of the General Terms and Conditions.
2/ Stated rate is a daily reservation rate. Monthly reservation is calculated as contract demand volume times rate times number of days per month.
3/ Rate is per Dth transported.
4/ The Fuel Rate applicable to Enogex System's Eastern and Western Zone, as stated in Enogex's currently effective Statement of Operating Conditions, including any separately stated Gas Lost and Unaccounted For rate, if applicable. Such rates will be posted on MEP's interactive website.
5/ The Waynoka Fuel rate is equal to the sum of Enogex System's Eastern and Western Zone rates as stated in Enogex's currently effective Statement of Operating Conditions.
6/ These charges will be in an amount which reflects billings to MEP by Enogex which satisfy the definition of Leased Capacity Activity Charges as defined in Section 1.24 of the General Terms and Conditions.

Effective Date: 12/01/2009 Status: Effective
FERC Docket: RP10-107-000

Third Revised Sheet No. 6 Third Revised Sheet No. 6
Superseding: Second Revised Sheet No. 6

Sheet No. 6 has been reserved for future use.

CURRENTLY EFFECTIVE RATES 1/
(RATES PER DTH)

	Maximum	Minimum
ZONE 1		
Rate Schedule FTS		
Reservation	$11.65	$0.0000
Commodity	$ 0.0013	$0.0013
Overrun	$ 0.3843	$0.0013
Rate Schedule ITS		
Commodity	$ 0.3843	$0.0013
Overrun	$ 0.3843	$0.0013
ZONE 2		
Rate Schedule FTS		
Reservation	$11.24	$0.0000
Commodity	$ 0.0008	$0.0008
Overrun	$ 0.3703	$0.0008
Rate Schedule ITS		
Commodity	$0.3703	$0.0008
Overrun	$0.3703	$0.0008
ACA Surcharge 2/		
Unit Charge Pursuant to Section 35 of the General Terms and Conditions	$0.0000	$0.0000

1/ For 1.5 Bcf/d in Zone 1 and for 1.0 Bcf/d in Zone 2.

2/ Under the Commission's current Regulations, an ACA Charge will become effective on October 1st following assessment of ACA charges by the Commission.

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY TO
1.5 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Maximum	Minimum
ZONE 1		
Rate Schedule FTS		
Reservation	$8.56	$0.0000
Commodity	$0.0013	$0.0015
Overrun	$0.2827	$0.0015
Rate Schedule ITS		
Commodity	$0.2827	$0.0015
Overrun	$0.2827	$0.0015
ZONE 2		
Rate Schedule FTS		
Reservation	$7.58	$0.0000
Commodity	$0.0014	$0.0014
Overrun	$0.2506	$0.0014
Rate Schedule ITS		
Commodity	$0.2506	$0.0014
Overrun	$0.2506	$0.0014
ACA Surcharge 2/		
Unit Charge Pursuant to Section 35 of the General Terms and Conditions	$0.0000	$0.0000

1/ Rates for the preapproved expansion capacity will become effective upon the placing in service of the facilities associated with this expansion.
2/ Under the Commission's current Regulations, an ACA Charge will become effective on October 1st following assessment of ACA charges by the Commission.

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY TO
1.5 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Maximum	Minimum
ZONE 1		
Rate Schedule FTS		
Reservation	$11.65	$0.0000
Commodity	$ 0.0013	$0.0013
Overrun	$ 0.3843	$0.0013
Rate Schedule ITS		
Commodity	$ 0.3843	$0.0013
Overrun	$ 0.3843	$0.0013
ZONE 2		
Rate Schedule FTS		
Reservation	$10.23	$0.0000
Commodity	$ 0.0012	$0.0012
Overrun	$ 0.3375	$0.0012
Rate Schedule ITS		
Commodity	$ 0.3375	$0.0012
Overrun	$ 0.3375	$0.0012
ACA Surcharge 2/		
Unit Charge Pursuant to Section 35 of the General Terms and Conditions	$0.0000	$0.0000

1/ Rates for the preapproved expansion capacity will become effective upon the placing in service of the facilities associated with this expansion.
2/ Under the Commission's current Regulations, an ACA Charge will become effective on October 1st following assessment of ACA charges by the Commission.

CURRENTLY EFFECTIVE RATES
EXPANSION CAPACITY TO
1.8 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Maximum	Minimum
ZONE 1		
Rate Schedule FTS		
Reservation	$10.48	$0.0000
Commodity	$ 0.0031	$0.0031
Overrun	$ 0.3476	$0.0031
Rate Schedule ITS		
Commodity	$ 0.3476	$0.0031
Overrun	$ 0.3476	$0.0031
ZONE 2		
Rate Schedule FTS		
Reservation	$10.23	$0.0000
Commodity	$ 0.0012	$0.0012
Overrun	$ 0.3375	$0.0012
Rate Schedule ITS		
Commodity	$ 0.3375	$0.0012
Overrun	$ 0.3375	$0.0012
ACA Surcharge 2/		
Unit Charge Pursuant to Section 35 of the General Terms and Conditions	$0.0000	$0.0000

1/ Rates for the expansion capacity approved in Docket No. CP09-56 will become effective upon the placing in service of the facilities associated with this expansion.
2/ Under the Commission's current Regulations, an ACA Charge will become effective on October 1st following assessment of ACA charges by the Commission.

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY TO
1.5 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Maximum	Minimum
ZONE 1		
Rate Schedule FTS		
Reservation	$11.65	$0.0000
Commodity	$ 0.0013	$0.0013
Overrun	$ 0.3843	$0.0013
Rate Schedule ITS		
Commodity	$ 0.3843	$0.0013
Overrun	$ 0.3843	$0.0013
ZONE 2		
Rate Schedule FTS		
Reservation	$10.23	$0.0000
Commodity	$ 0.0012	$0.0012
Overrun	$ 0.3375	$0.0012
Rate Schedule ITS		
Commodity	$ 0.3375	$0.0012
Overrun	$ 0.3375	$0.0012
ACA Surcharge 2/		
Unit Charge Pursuant to Section 35 of the General Terms and Conditions	$0.0000	$0.0000

1/ Rates for the preapproved expansion capacity will become effective upon the placing in service of the facilities associated with this expansion and will terminate at the point in time the facilities associated with the expansion authorized in Docket No. CP09-56 are placed in service.
2/ Under the Commission's current Regulations, an ACA Charge will become effective on October 1st following assessment of ACA charges by the Commission.

CURRENTLY EFFECTIVE RATES 1/
(RATES PER DTH)

	Maximum	Minimum
ZONE 1		
PALS - Interruptible Park and Loan Service		
Section 5.1 Usage Charge	$0.3843	$0.0013
Authorized Overrun Usage Charge	$0.3843	$0.0013
IBS - Interruptible Balancing Service		
Daily Access Rate	$0.3843	$0.0013
Authorized Overrun Daily Access Rate	$0.3843	$0.0013
ZONE 2		
PALS - Interruptible Park and Loan Service		
Section 5.1 Usage Charge	$0.3703	$0.0008
Authorized Overrun Usage Charge	$0.3703	$0.0008
IBS - Interruptible Balancing Service		
Daily Access Rate	$0.3703	$0.0008
Authorized Overrun Daily Access Rate	$0.3703	$0.0008

1/ For 1.5 Bcf/d in Zone 1 and for 1.0 Bcf/d in Zone 2.

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY
(RATES PER DTH)

	Rates Per Dth	
	Maximum	Minimum
PALS - Interruptible Park and Loan Service		
Zone 1:		
Section 5.1 Usage Charge	$0.2827	$0.0013
Zone 2:		
Section 5.1 Usage Charge	$0.2506	$0.0014
IBS - Interruptible Balancing Service		
Zone 1:		
Daily Access Rate	$0.2827	$0.0013
Authorized Overrun Daily Access Rate	$0.2827	$0.0013
Zone 2:		
Daily Access Rate	$0.2506	$0.0014
Authorized Overrun Daily Access Rate	$0.2506	$0.0014

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY
(RATES PER DTH)

	Rates Per Dth	
	Maximum	Minimum
PALS - Interruptible Park and Loan Service		
Zone 1:		
Section 5.1 Usage Charge	$0.3843	$0.0013
Zone 2:		
Section 5.1 Usage Charge	$0.3375	$0.0012
IBS - Interruptible Balancing Service		
Zone 1:		
Daily Access Rate	$0.3843	$0.0013
Authorized Overrun Daily Access Rate	$0.3843	$0.0013
Zone 2:		
Daily Access Rate	$0.3375	$0.0012
Authorized Overrun Daily Access Rate	$0.3375	$0.0012

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY
(RATES PER DTH)

	Rates Per Dth	
	Maximum	Minimum
PALS - Interruptible Park and Loan Service		
Zone 1:		
Section 5.1 Usage Charge	$0.3843	$0.0013
Authorized Overrun Usage Charge	$0.3843	$0.0013
Zone 2:		
Section 5.1 Usage Charge	$0.3375	$0.0012
Authorized Overrun Usage Charge	$0.3375	$0.0012
IBS - Interruptible Balancing Service		
Zone 1:		
Daily Access Rate	$0.3843	$0.0013
Authorized Overrun Daily Access Rate	$0.3843	$0.0013
Zone 2:		
Daily Access Rate	$0.3375	$0.0012
Authorized Overrun Daily Access Rate	$0.3375	$0.0012

CURRENTLY EFFECTIVE RATES
EXPANSION CAPACITY TO
1.8 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Rates Per Dth	
	Maximum	Minimum
PALS - Interruptible Park and Loan Service		
Zone 1:		
Section 5.1 Usage Charge	$0.3476	$0.0031
Authorized Overrun Usage Charge	$0.3476	$0.0031
Zone 2:		
Section 5.1 Usage Charge	$0.3375	$0.0012
Authorized Overrun Usage Charge	$0.3375	$0.0012
IBS - Interruptible Balancing Service		
Zone 1:		
Daily Access Rate	$0.3476	$0.0031
Authorized Overrun Daily Access Rate	$0.3476	$0.0031
Zone 2:		
Daily Access Rate	$0.3375	$0.0012
Authorized Overrun Daily Access Rate	$0.3375	$0.0012

1/ Rates for the expansion capacity approved in Docket No. CP09-56 will become effective upon the placing in service of the facilities associated with this expansion.

CURRENTLY EFFECTIVE RATES
PREAPPROVED EXPANSION CAPACITY TO
1.5 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(RATES PER DTH) 1/

	Rates Per Dth	
	Maximum	Minimum
PALS - Interruptible Park and Loan Service		
Zone 1:		
Section 5.1 Usage Charge	$0.3843	$0.0013
Authorized Overrun Usage Charge	$0.3843	$0.0013
Zone 2:		
Section 5.1 Usage Charge	$0.3375	$0.0012
Authorized Overrun Usage Charge	$0.3375	$0.0012
IBS - Interruptible Balancing Service		
Zone 1:		
Daily Access Rate	$0.3843	$0.0013
Authorized Overrun Daily Access Rate	$0.3843	$0.0013
Zone 2:		
Daily Access Rate	$0.3375	$0.0012
Authorized Overrun Daily Access Rate	$0.3375	$0.0012

1/ Rates for the preapproved expansion capacity will become effective upon the placing in service of the facilities associated with this expansion and will terminate at the point in time the facilities associated with the expansion authorized in Docket No. CP09-56 are placed in service.

Effective Date: 12/01/2009 Status: Effective
FERC Docket: RP10-107-000

First Revised Sheet No. 11 First Revised Sheet No. 11
Superseding: Original Sheet No. 11

Sheet No. 11 has been reserved for future use.

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES 1/
(%)

	Percentage
REIMBURSEMENT PERCENTAGES FOR FUEL GAS AND UNACCOUNTED FOR GAS: 2/ 3/	
Zone 1 - Fuel Gas 4/	.611%
Zone 2 - Fuel Gas 5/	.138%
System Haul Unaccounted For Gas 6/	.124%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.700%
Deferred Reimbursement	(.019)%
Total Booster Compression Incremental Percentage 7/	.681%

1/ For 1.5 Bcf/d in Zone 1 and 1.0 Bcf/d in Zone 2.

2/ Each fuel path contains an Unaccounted For Gas percentage of .124%.

3/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETP near Natural's Compressor Station No. 802.

4/ Zone 1 - Fuel Gas - Current .650%
Deferred (.039)%
Total .611%

5/ Zone 2 - Fuel Gas - Current .140%
Deferred (.002)%
Total .138%

6/ In addition to the fuel gas percentage, Shippers will be charged .124% per Dth regardless of the receipt or delivery point, which includes a current amount of .150% and a deferred amount of (.026)%.

7/ For the Booster Compression installed in Richland Parish, Louisiana.

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES
EXPANSION CAPACITY TO 1.8 BCF/D IN ZONE 1
AND 1.2 BCF/D IN ZONE 2
(%) 1/

	Percentage
REIMBURSEMENT PERCENTAGES FOR FUEL GAS AND UNACCOUNTED FOR GAS: 2/ 3/	
Zone 1 - Fuel Gas 4/	.813%
Zone 2 - Fuel Gas 5/	.287%
System Haul Unaccounted For Gas 6/	.103%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.681%
Deferred Reimbursement	(.029)%
Total Booster Compression Incremental Percentage 7/	.652%

1/ Reimbursement Percentages for the expansion capacity approved in Docket No. CP09-56 will become effective upon the placing in service of the facilities associated with this expansion.

2/ Each fuel path contains an Unaccounted For Gas percentage of .103%.

3/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETP near Natural's Compressor Station No. 802.

4/ Zone 1 - Fuel Gas - Current .840%
Deferred (.027)%
Total .813%

5/ Zone 2 - Fuel Gas - Current .290%
Deferred (.003)%
Total .287%

6/ In addition to the fuel gas percentage, Shippers will be charged .103% per Dth regardless of the receipt or delivery point, which includes a current amount of .150% and a deferred amount of (.047)%.

7/ For the Booster Compression installed in Richland Parish, Louisiana.

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES
PREAPPROVED EXPANSION CAPACITY
(%)

	Percentage
REIMBURSEMENT PERCENTAGES FOR FUEL GAS AND UNACCOUNTED FOR GAS: 1/ 2/	
Zone 1 - Fuel Gas 3/	.65%
Zone 2 - Fuel Gas 4/	.29%
System Haul Unaccounted For Gas 5/	.15%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.70%
Deferred Reimbursement	.00
Total Booster Compression Incremental Percentage 6/	.70%

1/ Each fuel path contains an Unaccounted For Gas percentage of .15%.

2/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETC near Natural's Compressor Station No. 802.

3/ Zone 1 - Fuel Gas - Current .65%
Deferred .00%
Total .65%

4/ Zone 2 - Fuel Gas - Current .29%
Deferred .00%
Total .29%

5/ In addition to the fuel gas percentage, Shippers will be charged .15% per Dth regardless of the receipt or delivery point, which includes a current amount of .15% and no deferred amount.

6/ For the Booster Compression installed in Richland Parish, Louisiana.

CURRENTLY EFFECTIVE REIMBURSEMENT PERCENTAGES
PREAPPROVED EXPANSION CAPACITY
1.5 BCF/D IN ZONE 1 AND 1.2 BCF/D IN ZONE 2
(%) 1/

	Percentage
REIMBURSEMENT PERCENTAGES FOR FUEL GAS AND UNACCOUNTED FOR GAS: 2/ 3/	
Zone 1 - Fuel Gas 4/	.618%
Zone 2 - Fuel Gas 5/	.287%
System Haul Unaccounted For Gas 6/	.095%
Booster Compression Incremental Fuel Percentage:	
Current Reimbursement	.681%
Deferred Reimbursement	(.029)%
Total Booster Compression Incremental Percentage 7/	.652%

1/ Reimbursement percentages for the preapproved expansion capacity will become effective upon the placing in service of the facilities associated with this expansion and will terminate at the point in time the facilities associated with the expansion authorized in Docket No. CP09-56 are placed in service.

2/ Each fuel path contains an Unaccounted For Gas percentage of .095%.

3/ Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with a subsidiary of ETC near Natural's Compressor Station No. 802.

4/ Zone 1 - Fuel Gas - Current .650%
Deferred (.032)%
Total .618%

5/ Zone 2 - Fuel Gas - Current .290%
Deferred (.003)%
Total .287%

6/ In addition to the fuel gas percentage, Shippers will be charged .095% per Dth regardless of the receipt or delivery point, which includes a current amount of .150% and a deferred amount of (.055)%.

7/ For the Booster Compression installed in Richland Parish, Louisiana.

Effective Date: 04/10/2009 Status: Effective
FERC Docket: RP09-136-000

Original Sheet No. 14 Original Sheet No. 14

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Rate Schedule	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)	Primary Receipt Point(s) / PIN No(s).	Primary Delivery Point(s) / PIN No(s).
Conectiv Energy Supply, Inc.	FTS	1/	10,000	2/	2/	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for five (5) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Enerfin Resources I Limited Partnership	2/	FTS	2/	1/	7,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for seven (7) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Rate Schedule	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)	Primary Receipt Point(s) / PIN No(s).	Primary Delivery Point(s) / PIN No(s).
Enjet, Inc.	FTS	1/	15,000	2/	2/	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for five (5) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
EOG Resources, Inc.	2/	FTS	2/	1/	100,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for ten (10) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Gavilon, LLC	2/	FTS	2/	1/	25,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for seven (7) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Charge(s)
IBERDROLA RENEWABLES, Inc.	2/	FTS	2/	1/	30,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for five (5) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Charge(s)
J-W Gathering Company	2/	FTS	2/	1/	30,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for ten (10) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Term of Contract	Primary Delivery Point(s) / PIN No(s).	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.		FTS	Year 1-2 1/		225,000 2/	2/	2/
		FTS	Year 3-5		250,000 2/	2/	2/
		FTS	Year 6		225,000 2/	2/	2/
		FTS	Year 7-9 2/		200,000 2/	2/	2/

1/ Term of the Agreement begins on the later of (i) the date the proposed new Arkoma Connector Pipeline in Oklahoma commences service or (ii) the date that MEP's Pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) but no later than May 1, 2010 and continues for nine (9) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.	2/	FTS	2/	1/, 2/	20,000	2/	2/

1/ Term of the Agreement begins on the later of (i) the date the proposed new Arkoma Connector Pipeline in Oklahoma commences service or (ii) the date that MEP's Pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) but no later than May 1, 2010 and continues for seven (7) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.	2/	FTS	2/	1/, 2/	30,000	2/	2/

1/ Term of the Agreement begins on the later of (i) the date the proposed new Arkoma Connector Pipeline in Oklahoma commences service or (ii) the date that MEP's Pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) but no later than May 1, 2010 and continues for eight (8) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.	2/	FTS	2/	1/, 2/	35,000	2/	2/

1/ Term of the Agreement begins on the later of (i) the date the proposed new Arkoma Connector Pipeline in Oklahoma commences service or (ii) the date that MEP's Pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) but no later than May 1, 2010 and continues for one (1) year thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Term of Contract	Primary Delivery Point(s) / PIN No(s).	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.	2/	FTS	1/, 2/	2/	40,000	2/	2/

1/ The primary term of the Agreement begins on the date immediately following the expiration of that certain Rate Schedule FTS Transportation Agreement between MEP and Shipper dated August 21, 2008, Contract No. 553405 (the "Volumetric 1 Transportation Agreement") and continues until the date one (1) year thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Newfield Exploration Mid-Continent Inc.	2/	FTS	2/	1/, 2/	100,000	2/	2/

1/ Term of the Agreement begins on the later of (i) the date the proposed new Arkoma Connector Pipeline in Oklahoma commences service or (ii) the date that MEP's Pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) but no later than May 1, 2010 and continues for nine (9) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Charge(s)
OGE Energy Resources, Inc.	2/	FTS	2/	1/	10,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for five (5) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Quick Silver Resources Inc.	2/	FTS	2/	1/	50,000	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for ten (10) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Charge(s)
SandRidge Energy		FTS		1/	3/	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for ten (10) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

3/ Volumes is 75,000 Dth/d for Years 1 through 5 and 50,000 Dth thereafter.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)
Unit Petroleum Company	2/	FTS	2/	1/	15,500	2/	2/

1/ Term of the Agreement begins on the later of (i) February 28, 2009 or (ii) the first day of the calendar month following notice from MEP that the pipeline is ready to provide firm service from Bennington, OK (PIN No. 44438) to the point of interconnection with Transcontinental Gas Pipe Line in Choctaw County, AL at Transco's Station 85 (PIN No. 44451) and continues for five and one-half (5 1/2) years thereafter.

2/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

Effective Date: 08/07/2009 Status: Effective
FERC Docket: RP09-874-000

First Revised Sheet No. 14R First Revised Sheet No. 14R
Superseding: Original Sheet No. 14R

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Shipper Name	Rate Schedule	Term of Contract	Volume Dth/d)	Reservation Charge(s)	Commodity Charge(s)	Primary Receipt Point(s) / PIN No(s).	Primary Delivery Point(s) / PIN No(s).
Cross Timbers Energy Services, Inc.	FTS	08/07/2009 through 07/31/2019	350,000	1/	1/	1/	1/

1/ This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

STATEMENT OF NEGOTIATED RATE TRANSACTIONS

PURSUANT TO SECTION 30

Commodity Shipper Name	Primary Receipt Point(s) / PIN No(s).	Rate Schedule	Primary Delivery Point(s) / PIN No(s).	Term of Contract	Volume Dth/d	Reservation Charge(s)	Commodity Charge(s)
Chesapeake Energy Marketing, Inc.	2/	FTS	2/	1/	54,000 2/ 3/	2/	2/

1/ Beginning on the earlier of the U.S. Pipeline and Hazardous Materials Safety Administration's Approval Date or the Pre-Approved Expansion Capacity Date, as defined in the Agreement, through the date ten (10) years thereafter; provided if the term of the transportation agreement has not commenced by January 1, 2012, the Negotiated Rate Term shall be considered null and void.

2/ The information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which are currently on file with the FERC.

3/ Subject to the term provisions, the contract volume increases to 254,500 Dth as part of the Preapproved Expansion to 1.5 Bcf in Zone 1 and 1.2 Bcf in Zone 2.

Sheet Nos. 15 - 19 Sheet Nos. 15 - 19

Sheet Nos. 15 through 19 are being reserved for future use.

RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule FTS is available to any entity (hereinafter called Shipper) which: (a) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof as to which MEP has firm capacity available on all affected portions of its System and the firm operational capability to satisfy; (b) is awarded capacity consistent with the provisions of the Tariff; and (c) executes a Firm Transportation Service Agreement (FTS Agreement) with MEP applicable to service under this Rate Schedule FTS. The form of FTS Agreement is contained in this Tariff. There is no limitation on the number of FTS Agreements any one Shipper may have.

2. APPLICABILITY, DEFAULTS AND CHARACTER OF SERVICE

2.1 The transportation service provided under this Rate Schedule FTS shall be performed under Part 284 of the Commission's Regulations. This Rate Schedule FTS shall apply to all Gas transported by MEP for Shipper pursuant to an FTS Agreement. Service hereunder shall be provided on a firm basis. However, service may be interrupted for any of the reasons set out in the applicable provisions of this Tariff. As more fully set out in the General Terms and Conditions of this Tariff, MEP is not providing supply service under this Rate Schedule.

2.2 MEP shall have the right to waive any one or more specific defaults by any Shipper if such default will not affect the integrity of MEP's System or the quality of service and if the waiver is provided on a basis which is not unduly discriminatory, provided that such waiver is not inconsistent with any applicable Commission Regulations or orders, and provided also that any waiver given to a Shipper by MEP shall be made available to all similarly situated Shippers during the time period when it is in effect. No such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

2.3 Service hereunder shall consist of the acceptance by MEP of Gas tendered by Shipper or for Shipper's account for transportation at Receipt Points specified in or applicable to the FTS Agreement, the transportation of that Gas through MEP's pipeline System, and the delivery of that Gas by MEP to Shipper or for Shipper's account at the

RATE SCHEDULE FTS

Delivery Points specified in or applicable to the FTS Agreement. MEP shall not be required to accept Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the FTS Agreement for each Receipt Point or Delivery Point or for the aggregate of all primary Receipt Points or Delivery Points except as provided in Section 8 of this Rate Schedule FTS. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party (except for facilities leased by MEP which are part of MEP's system), processing, transportation of liquids, or transportation to processing facilities unless the FTS Agreement so specifies.

2.4 Shipper shall only tender Gas for transportation under this Rate Schedule to the extent such service would qualify under the applicable statutes, regulations and Commission orders. For transportation to be provided under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP certification including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification prior to tendering Gas for transportation.

2.5 Awarding and allocation of capacity and scheduling and curtailment are all governed by the General Terms and Conditions of this Tariff.

2.6 Shipper may release capacity dedicated to service under Shipper's FTS Agreement(s) hereunder pursuant to MEP's Capacity Release Program to the extent permitted by, and subject to the terms and conditions contained in, the General Terms and Conditions of this Tariff.

2.7 MEP may negotiate with Foundation Shipper contractual provisions under which: (a) a Foundation Shipper has a right to cause MEP to construct Preapproved Capacity and also has the right to acquire such Preapproved Capacity at a mutually agreed rate and term, upon timely exercise by the Foundation Shipper of such capacity acquisition rights; and/or (b) a Foundation Shipper has the right, within a period of up to five (5) years after the Commencement Date, to acquire unsubscribed firm System capacity other than Preapproved Capacity at an agreed rate for an agreed term.

RATE SCHEDULE FTS

3. VALID REQUESTS

3.1 A request for service under this Rate Schedule FTS shall be valid as of the date received if it complies with this Section 3.1 and contains adequate information on all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:

(a) Subject to Section 2.7, a request shall not be valid and MEP shall not be required to grant any such request: (1) for which adequate capacity is not available on any portion of MEP's System necessary to provide such service; (2) as to which MEP does not have the operational capability to effect receipt, transportation and/or delivery on a firm basis consistent with the terms and conditions of this Rate Schedule FTS; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that MEP may agree on a basis not unduly discriminatory to construct, modify, expand, or acquire facilities to enable it to perform such services; (4) unless and until Shipper has provided MEP with the information required in Section 3.2 hereof; (5) if MEP determines, based on the credit analysis referenced in Section 3.2(f), that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (6) if the service requested would not comply with this Rate Schedule FTS; or (7) if the service requested is at less than the applicable maximum rate; provided, however, that MEP may agree to provide service hereunder at a discount or at a Negotiated Rate or under a Negotiated Rate Formula, consistent with this Rate Schedule FTS and the applicable General Terms and Conditions of this Tariff. Nothing herein is intended to govern the scheduling or curtailment of service once a request for service has been granted pursuant to this Section and while an FTS Agreement is in effect. Such scheduling and/or curtailment are governed by the General Terms and Conditions of this Tariff.

(b) Any request must be complete and comply with this Rate Schedule FTS. MEP shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of capacity or System capability or if the request is incomplete or

does not comply with this Rate Schedule FTS. If a request is not complete, MEP shall inform Shipper in writing of the specific items needed to complete the FTS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

(c) MEP shall tender an FTS Agreement to Shipper for execution when Shipper's request for service is accepted. Shipper is obligated to execute an FTS Agreement hereunder within ten (10) days after an FTS Agreement has been tendered by MEP for execution in response to a valid request; provided, however, that MEP will waive this time period if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive this time period.

3.2 Requests for service hereunder shall be deemed valid only after the information specified in this Section is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at One Allen Center, 500 Dallas Street, Suite 1000, Houston, Texas 77002, or Telecopy Number (713) 369-9305. The information required for a valid request shall be as follows:

(a) GAS QUANTITIES

The request shall specify in Dth the MDQ for the FTS Agreement and the Point MDQ for each primary Receipt Point and Delivery Point under the FTS Agreement, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas, including any volumes required under the Leased Capacity Charges.

(b) RECEIPT POINT(S)

The request shall specify the primary point(s) at which Shipper desires MEP to receive Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

(c) DELIVERY POINT(S)

The request shall specify the primary point(s) at which Shipper desires MEP to deliver Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

RATE SCHEDULE FTS

(d) LIMITATION OF POINTS

A Shipper may request any number of primary Receipt and primary Delivery Points so long as the summation of the Point MDQs at all primary Receipt Points and at all primary Delivery Points equals the MDQ for the FTS Agreement and the request is consistent with the General Terms and Conditions of this Tariff.

(e) TERM OF SERVICE

The request shall specify:

(1) The date service is requested to commence; and

(2) The date service is requested to terminate.

(f) CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by MEP in accordance with the General Terms and Conditions of this Tariff.

(g) COMPLIANCE WITH FTS TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule FTS, including the applicable General Terms and Conditions.

(h) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial nomination for service under an executed FTS Agreement is submitted, and when any subsequent changes occur:

(1) Affiliation of the Shipper with MEP; and

(2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

RATE SCHEDULE FTS

4. TERM

(a) The term of service hereunder shall be set forth in the FTS Agreement between Shipper and MEP.

(b) The General Terms and Conditions of this Tariff shall govern the applicability of, and the terms and conditions relating to, rollovers and the right of first refusal vis a vis an FTS Agreement. Upon termination of any FTS Agreement, and subject to any such rollover or right of first refusal, service by MEP to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule FTS a two-part rate as set out in this Tariff consisting of: (i) a Reservation Charge, based on Shipper's MDQ, which consists of the Base Monthly Reservation Cost; and (ii) a Commodity Charge for each Dth of Gas received for transportation. Separate Reservation and Commodity rates will be set for Zone 1 and Zone 2. Any Shipper using Leased Capacity will pay, in addition, the Leased Capacity Charges. Reservation-based charges for Zone 1 and Zone 2 shall be assessed based on the MDQ only. Commodity charges for Zone 1 and Zone 2, as applicable, will be assessed based on all volumes delivered to MEP during the billing month. Reservation charges associated with the Leased Capacity will be recovered as part of the Leased Capacity Charges.

(b) Shipper shall also pay, where applicable, other charges provided for in this Tariff, including but not limited to Balancing Service Charges. With respect to Leased Capacity, a Shipper shall also pay any applicable Leased Capacity Activity Charges as part of the Leased Capacity Charges.

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS

5.2 Shipper shall reimburse MEP for Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions of this Tariff. Separate Fuel Gas rates are set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions. Shippers using Leased Capacity will pay for fuel and unaccounted for gas on the Leased Capacity as part of the Leased Capacity Charges. Certain Shippers have their Fuel amounts capped pursuant to arrangements under Section 30 of the General Terms and Conditions of this Tariff (relating to Negotiated Rates).

5.3 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

(b) Unless otherwise agreed by contract, if MEP constructs, acquires or modifies any facilities (excluding Preapproved Capacity facilities) to perform service hereunder, then, to the extent provided in Section 5 of the General Terms and Conditions of this Tariff and pursuant to a separate agreement, either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a Monthly charge reflecting such facility costs.

5.4 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes received by MEP from Shipper under this Rate Schedule FTS.

RATE SCHEDULE FTS

5.5 (a) Unless otherwise provided by contract, MEP shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule FTS, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule FTS, including the applicable General Terms and Conditions.

(b) If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits MEP to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall be increased to the highest such rate unless the FTS Agreement or a separate discount, Negotiated Rate or Negotiated Rate Formula agreement provides that the rate established in such an agreement shall not be subject to such modification or increase. Should additional documentation be required in order for MEP to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) days after a written request by MEP. If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises requires MEP to charge a lower rate for transportation service hereunder, the rate shall be decreased to such reduced rate except as otherwise agreed under Section 5.1(b) of this Rate Schedule and Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements).

5.6 MEP may, consistent with any provisions on discounting in the FTS Agreement or in a separate discount, Negotiated Rate or Negotiated Rate Formula agreement, charge any individual Shipper for service under this Rate Schedule FTS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate may not be less than the applicable minimum rate for service under Rate Schedule FTS set forth in this Tariff except as otherwise provided in Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements). MEP shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

RATE SCHEDULE FTS

5.7 All revenues collected by MEP as a result of providing service under Rate Schedule FTS shall be retained by MEP unless MEP has otherwise explicitly agreed on or the Commission has required a different disposition of such amounts. The Penalty Revenue (Section 9.3) provision of the General Terms and Conditions of this Tariff represents an agreement by MEP on a different disposition of certain revenue.

RATE SCHEDULE FTS

6. NOMINATIONS AND IMBALANCES

(a) Shipper shall provide MEP with daily nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to MEP at Receipt Point(s), and to cause Gas to be taken from MEP at Delivery Point(s), in accordance with the information supplied to MEP.

(b) MEP will enter into Operational Balancing Agreements (OBAs) (as defined in the General Terms and Conditions of this Tariff) at Receipt Points and Delivery Points that are interstate or intrastate pipeline interconnects to deal with imbalances. Where imbalances are beyond the parameters in an OBA or an OBA is not applicable, however, it shall be Shipper's responsibility to keep receipts and deliveries in balance. MEP may curtail service hereunder to the extent necessary to bring receipts and deliveries into balance and to the extent consistent with Section 10 of the General Terms and Conditions of this Tariff.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

(a) Conditions of delivery at Receipt and Delivery Points are set out in the General Terms and Conditions of this Tariff.

(b) Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to MEP hereunder; and (2) at or downstream of the Delivery Point(s) where MEP delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule FTS and must be coordinated with MEP.

RATE SCHEDULE FTS

8. OVERRUN SERVICE AND UNAUTHORIZED GAS

(a) Upon request of Shipper, MEP shall if capacity is available receive, transport, and deliver on any Day quantities of Gas in excess of Shipper's MDQ and/or Point MDQ under the FTS Agreement when the capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of MEP to meet its other obligations of equal or higher priority. In granting requests for overrun service, MEP shall act in a manner consistent with the service priorities set out in the General Terms and Conditions of this Tariff. Shipper shall pay MEP the applicable rate for Authorized Overrun Service set forth in this Tariff.

(b) For Unauthorized Gas, Shipper shall pay MEP the charges for Unauthorized Gas set out in Section 9.2 of the General Terms and Conditions of this Tariff.

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule FTS and shall apply to service rendered hereunder as though stated herein.

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule ITS is available to any entity (hereinafter called Shipper) which: (a) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof; and (b) executes an Interruptible Transportation Service Agreement (ITS Agreement) with MEP applicable to service under this Rate Schedule ITS. The form of ITS Agreement is contained in this Tariff. There is no limitation on the number of ITS Agreements any one Shipper may have.

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

2.1 This Rate Schedule ITS defines an interruptible transportation service. This Rate Schedule ITS shall apply to all Gas received by MEP for Shipper pursuant to an ITS Agreement. As more fully set out in the General Terms and Conditions of this Tariff, MEP is not providing supply service under this Rate Schedule ITS.

2.2 MEP shall have the right to waive any one or more specific defaults by any Shipper if such default will not affect the integrity of MEP's System or the quality of service and if the waiver is provided on a basis which is not unduly discriminatory, provided that such waiver is not inconsistent with any applicable Commission Regulations or orders, and provided also that any waiver given to a Shipper by MEP shall be made available to all similarly situated Shippers during the time period when it is in effect. No such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

RATE SCHEDULE ITS

2.3 Service hereunder shall consist of the acceptance by MEP of Gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that Gas through MEP's System, and the delivery of that Gas by MEP to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. MEP shall not be required: (a) to accept on any Day Gas tendered, or to deliver on any Day Gas requested, in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the ITS Agreement, except as provided in Section 8 of this Rate Schedule ITS; or (b) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party (except for facilities leased by MEP which are part of MEP's System), processing, transportation of liquids, or transportation to processing facilities.

2.4 The service provided under this Rate Schedule ITS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule ITS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by MEP under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP appropriate certification, including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Commission's Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering Gas under an ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

2.5 Service hereunder is provided on an interruptible basis. Scheduling and curtailment are governed by the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

3. VALID REQUESTS

3.1 A request for service under this Rate Schedule ITS shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:

(a) A request shall not be valid and MEP shall not be required to grant any such request: (1) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that MEP may agree on a basis not unduly discriminatory to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided MEP with the information required in Section 3.2 hereof; (3) if MEP determines, based on the credit analysis referenced in Section 3.2(d), that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (4) if the service requested would not comply with this Rate Schedule ITS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that MEP may agree to provide service hereunder at a discount or at a Negotiated Rate or under a Negotiated Rate Formula, consistent with this Rate Schedule ITS and the applicable General Terms and Conditions of this Tariff. Nothing herein is intended to govern the scheduling or curtailment of service once a request for service has been granted pursuant to this Section and while an ITS Agreement is in effect. Such scheduling and/or curtailment are governed by the General Terms and Conditions of this Tariff.

(b) Any request must be complete and comply with this Rate Schedule ITS. MEP shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to any of the reasons set out in Section 3.1(a) or if the request is incomplete or does not comply with this Rate Schedule ITS. If a request is not complete, MEP shall inform Shipper in writing of the specific items needed to complete the ITS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

RATE SCHEDULE ITS

(c) MEP shall tender an ITS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) days after an ITS Agreement has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time period.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at One Allen Center, 500 Dallas Street, Suite 1000, Houston, Texas 77002 or Telecopy Number (713) 369-9305:

(a) GAS QUANTITIES

The request shall specify in Dth the MDQ, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas, including any volumes required under the Leased Capacity Charges.

(b) AVAILABILITY OF POINTS

(1) A Shipper may utilize all available Receipt and Delivery Points on MEP's System within Zone 1 or Zone 2, or both, as applicable, under any ITS Agreement, as more fully set out in the General Terms and Conditions of this Tariff. The General Terms and Conditions also address the availability of points on Leased Capacity and during Interim Period Service.

RATE SCHEDULE ITS

(2) The available volume and priorities at any point shall be governed by the General Terms and Conditions of this Tariff.

(c) TERM OF SERVICE

The request shall specify:

(1) The date service is requested to commence, and

(2) The date service is requested to terminate.

(d) CREDIT

Acceptance of a request is contingent upon as satisfactory credit appraisal by MEP in accordance with the General Terms and Conditions of this Tariff.

(e) COMPLIANCE WITH ITS TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule ITS, including the applicable General Terms and Conditions.

(f) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial nomination for transportation under an executed ITS Agreement is submitted, and when any subsequent changes occur:

(1) Affiliation of the Shipper with MEP; and

(2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

RATE SCHEDULE ITS

4. TERM

(a) The term of service hereunder shall be set forth in the ITS Agreement between Shipper and MEP, subject to any rollover rights consistent with Section 16 of the General Terms and Conditions of the Tariff. MEP may terminate the ITS Agreement if Shipper fails to cause Gas to be delivered during any twelve (12) consecutive calendar Months when capacity is available, unless Shipper's failure to deliver Gas was attributable to circumstances of Force Majeure.

(b) Upon termination of any ITS Agreement, service by MEP to Shipper thereunder shall be terminated and automatically abandoned unless otherwise provided by contract pursuant to Section 16 of the General Terms and Conditions of this Tariff.

(c) MEP may terminate any ITS Agreement if MEP is required by the FERC or some other agency or court to provide service for others utilizing the interruptible System capacity or capability required for service under such ITS Agreement.

RATE SCHEDULE ITS

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule ITS a one-part Commodity Charge as set out in this Tariff for each Dth of Gas received for transportation, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charges for Zone 1 and Zone 2, as applicable, shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas actually delivered to MEP during the billing Month. Separate rates will be set for Zone 1 and Zone 2. Any Shipper using Leased Capacity will pay the Leased Capacity Charges. The Leased Capacity Charges include commodity charges associated with the Leased Capacity.

(b) Shipper shall also pay, where applicable, other charges set forth in this Tariff, including but not limited to Balancing Service Charges. With respect to Leased Capacity, a Shipper shall pay any applicable Leased Capacity Activity Charges as part of the Leased Capacity Charges.

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

5.2 Shipper shall reimburse MEP for applicable Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions. Separate Fuel Gas rates will be set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions. Shippers using Leased Capacity will pay for fuel and unaccounted for gas on the Leased Capacity as part of the Leased Capacity Charges.

RATE SCHEDULE ITS

5.3 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

(b) Unless otherwise agreed by contract, if MEP constructs, acquires or modifies any facilities (excluding Expansion Facilities) to perform service hereunder, then, to the extent provided in Section 5 of the General Terms and Conditions of this Tariff and pursuant to a separate agreement, either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a Monthly charge reflecting such facility costs.

5.4 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes received by MEP from Shipper under this Rate Schedule ITS.

5.5 (a) Unless otherwise provided by contract, MEP shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule ITS, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule ITS, including the applicable General Terms and Conditions.

RATE SCHEDULE ITS

(b) If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits MEP to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall be increased to the highest such rate unless the ITS Agreement or a separate discount, Negotiated Rate or Negotiated Rate Formula agreement provides that the rate established in such an agreement shall not be subject to such a modification or increase. Should additional documentation be required in order for MEP to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) days after a written request by MEP. If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises requires MEP to charge a lower rate for transportation service hereunder, the rate shall be decreased to such reduced rate except as otherwise agreed under Section 5.1(b) of this Rate Schedule and Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements).

5.6 MEP may, consistent with any provisions on discounting in the ITS Agreement or in a separate discount, Negotiated Rate or Negotiated Rate Formula agreement, charge any individual Shipper for service under this Rate Schedule ITS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate may not be less than the applicable minimum rate for service under Rate Schedule ITS set forth in this Tariff except as otherwise provided in Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements). MEP shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

RATE SCHEDULE ITS

5.7 All revenues collected by MEP as a result of providing service under Rate Schedule ITS shall be retained by MEP unless MEP has otherwise explicitly agreed on or the Commission has required a different disposition of such amounts. The Penalty Revenue (Section 9.3) provision in the General Terms and Conditions of this Tariff represents an agreement by MEP on a different disposition of certain revenue.

RATE SCHEDULE ITS

6. NOMINATIONS AND IMBALANCES

(a) Shipper shall provide MEP with daily nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to MEP at Receipt Point(s), and to cause Gas to be taken from MEP at Delivery Point(s), in accordance with the information supplied to MEP.

(b) MEP will enter into OBAs (as defined in the General Terms and Conditions of this Tariff) at Receipt Points and Delivery Points that are interstate or intrastate pipeline interconnections to deal with imbalances. Where imbalances are beyond the parameters in an OBA or an OBA is not applicable, however, it shall be Shipper's responsibility to keep receipts and deliveries in balance. MEP may curtail service hereunder to the extent necessary to bring receipts and deliveries into balance and to the extent consistent with Section 10 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

(a) Conditions of delivery at Receipt and Delivery Points are set out in the General Terms and Conditions of this Tariff.

(b) Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to MEP hereunder; and (2) at or downstream of the Delivery Point(s) where MEP delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule ITS and must be coordinated with MEP.

RATE SCHEDULE ITS

8. OVERRUN SERVICE AND UNAUTHORIZED GAS

(a) Upon request of Shipper, MEP shall if capacity is available receive, transport, and deliver on any Day quantities of Gas in excess of Shipper's MDQ under the ITS Agreement when the capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of MEP to meet its other obligations of equal or higher priority. In granting requests for Authorized Overrun Service, MEP shall act in a manner consistent with the service priorities set out in the General Terms and Conditions of this Tariff. Shipper shall pay MEP the applicable rate for Authorized Overrun Service set forth in this Tariff.

(b) For Unauthorized Gas, Shipper shall pay MEP the charges for Unauthorized Gas set out in Section 9.2 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule ITS and shall apply to service rendered hereunder as though stated herein.

RATE SCHEDULE PALS
INTERRUPTIBLE PARK AND LOAN SERVICE

1. AVAILABILITY

This Rate Schedule PALS is available for interruptible park and loan service to provide parks and loans of Gas for any entity (hereinafter called Shipper) which: (a) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof; and (b) executes an Interruptible Park and Loan Service Agreement (PALS Agreement) with MEP applicable to service under this Rate Schedule PALS. The form of PALS Agreement is contained in this Tariff. With respect to any specific park and loan service under this Rate Schedule PALS, MEP must have determined that it is operationally able to render such service; and Shipper and MEP must have executed a Request Order for such service under a PALS Agreement.

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

2.1 This Rate Schedule PALS defines an interruptible park and loan service. This Rate Schedule PALS shall apply to all Gas received by MEP for Shipper pursuant to a PALS Agreement. As more fully set out in the General Terms and Conditions of this Tariff, MEP is not providing supply service under this Rate Schedule PALS.

2.2 (a) Service under this Rate Schedule shall be provided on an interruptible basis as follows:

(1) Park Service. Park service shall consist of MEP's receipt of a quantity of Gas at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date(s), requested by Shipper under a PALS Request Order and approved by MEP, MEP's holding of such parked quantity of Gas for Shipper's account and MEP's redelivery of the parked quantity of Gas to Shipper at the designated Delivery Point(s) and/or Pooling Point(s) and on the designated date(s) set forth in such PALS Request Order.

RATE SCHEDULE PALS

(2) Loan Service. Loan service shall consist of MEP's lending a specified quantity of Gas, requested by Shipper and approved by MEP, on the designated date(s) at designated Delivery Point(s) and/or Pooling Point(s) set forth in Shipper's PALS Request Order and the Shipper's redelivery of and MEP's acceptance of such quantities of Gas for Shipper's account at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date(s) set forth in such PALS Request Order.

(b) Service under this Rate Schedule shall be provided for a minimum of a one (1) Day term and a maximum term as established by the mutual agreement of MEP and the Shipper; provided, however, such term may be suspended or extended by MEP at MEP's sole discretion. The term of each Parking or Loan arrangement with Shipper shall be set forth in the Request Order. The form of the Request Order attached to the PALS Agreement executed between Shipper and MEP.

(c) Transportation of gas quantities for or on behalf of Shipper to or from the designated Point(s) of Service under the PALS Agreement will not be performed under this Rate Schedule. Shipper shall make any necessary arrangements with MEP and/or third parties to receive or deliver gas quantities at the designated points for Park or Loan service hereunder. Such arrangements must be compatible with the operating conditions of MEP's system.

(d) Service under this Rate Schedule shall be scheduled and confirmed consistent with the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

2.3 The service provided under this Rate Schedule PALS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only tender or receive Gas for service under this Rate Schedule PALS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by MEP under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP appropriate certification, including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering or receiving Gas under a PALS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

2.4 MEP shall have the right to waive any one or more specific defaults by any Shipper if such default will not affect the integrity of MEP's System or the quality of service and if the waiver is provided on a basis which is not unduly discriminatory, provided that such waiver is not inconsistent with any applicable Commission Regulations or orders, and provided also that any waiver given to a Shipper by MEP shall be made available to all similarly situated Shippers during the time period when it is in effect. No such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

RATE SCHEDULE PALS

3. REQUESTS FOR SERVICE

3.1 VALID REQUEST

A request for service under this Rate Schedule PALS shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:

(a) A request shall not be valid and MEP shall not be required to grant any such request: (1) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that MEP may agree on a basis not unduly discriminatory to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided MEP with the information required in Section 3.2 hereof; (3) if MEP determines, based on the credit analysis referenced in Section 3.2(c), that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (4) if the service requested would not comply with this Rate Schedule PALS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that MEP may agree to provide service hereunder at a discount or at a Negotiated Rate or under a Negotiated Rate Formula, consistent with this Rate Schedule PALS and the applicable General Terms and Conditions of this Tariff. Nothing herein is intended to govern the scheduling or curtailment of service once a request for service has been granted pursuant to this Section and while the PALS Agreement is in effect. Such scheduling and/or curtailment are governed by the General Terms and Conditions of this Tariff.

(b) Any request must be complete and comply with this Rate Schedule PALS. MEP shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to any of the reasons set out in Section 3.1(a) or if the request is incomplete or does not comply with this Rate Schedule PALS. If a request is not complete, MEP shall inform Shipper in writing of the specific items needed to complete the PALS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

RATE SCHEDULE PALS

(c) MEP shall tender a PALS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute a PALS Agreement hereunder within ten (10) days after the PALS Agreement has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time period.

3.2 REQUIRED INFORMATION

Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at One Allen Center, 500 Dallas Street, Suite 1000, Houston, Texas 77002 or Telecopy Number (713) 369-9305:

(a) GAS QUANTITIES

The request shall specify in Dth the MAQ and MDQ, provided, however, that MEP shall not be obligated to accept requests for an MDQ or MAQ of less than one hundred (100) Dth per Day.

(b) TERM OF SERVICE

The request shall specify:

(1) The date service is requested to commence, and

(2) The date service is requested to terminate.

(c) CREDIT

Acceptance of a request is contingent upon as satisfactory credit appraisal by MEP in accordance with the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

(d) COMPLIANCE WITH TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule PALS, including the applicable General Terms and Conditions.

(e) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial nomination for transportation under an executed PALS Agreement is submitted, and when any subsequent changes occur:

(1) Affiliation of the Shipper with MEP; and

(2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

3.3 REQUEST ORDER

To implement a specific park and/or loan transaction, MEP and the Shipper with a PALS Agreement in effect shall enter into a PALS Request Order. The PALS Request Order shall include the following items:

(a) SERVICE TYPE/PALS AGREEMENT

The PALS Request Order must specify that it relates to service under Rate Schedule PALS and must specify the PALS Agreement to which the PALS Request Order relates.

(b) GAS QUANTITIES

The PALS Request Order shall specify in Dth the maximum aggregate quantity (MAQ RO) and the maximum daily quantity (MDQ RO) of Gas to be parked and/or loaned under the specific transaction; provided that the sum of all MAQ ROs and MDQ ROs under all pending PALS Request Orders cannot exceed the MAQ and MDQ under the applicable PALS Agreement. The PALS Request Order shall specify the minimum daily and aggregate quantities and shall set out a park and/or loan schedule containing the quantity and timing information specified in this Rate Schedule.

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RATE SCHEDULE PALS

(c) POINTS

The PALS Request Order shall specify the point(s) at which Gas is to be parked or loaned. Any mutually agreeable point(s) on MEP's system, including Pooling Points, may be utilized for service under this Rate Schedule PALS. Unless otherwise mutually agreed, the point for completion of the park or loan must be the same as the point at which the park or loan was initiated.

(d) TERM OF SERVICE

The PALS Request Order shall specify:

(1) The date service is to commence; and

(2) The date service is to terminate.

The term may include a range of permitted commencement and termination dates for service under the PALS RO, or for any portion of such service. No termination date may extend beyond the term of the PALS Agreement.

(e) SHIPPER CONTACT PERSONNEL

The PALS Request Order shall specify the persons to be contacted by MEP in connection with the PALS Request Order.

(f) RATE

The PALS Request Order shall specify the rates at which the park or loan service will be provided. Rates may vary by time period, volumes or other permissible discounting parameters, within the applicable maximum and minimum rates.

(g) SHIPPER ASSURANCES

Shipper shall provide MEP the assurances required hereunder in connection with each PALS Request Order.

RATE SCHEDULE PALS

(h) POSTED STANDARDIZED REQUEST ORDERS

In addition to reaching agreement with individual Shippers on the terms of specifically tailored Request Orders, MEP may post the terms of Request Orders it is willing to enter into on a standardized basis with any creditworthy Shipper having quantities of Gas which can be received or delivered at specified points identified in the posting. Such a standing posting shall specify all the terms of the Request Order and also the rights, if any, for MEP to change the provisions of such a Request Order. Service pursuant to such a posting shall be optional on the part of any Shipper and requires the execution of a specific Request Order by MEP and the Shipper in the form specified in the posting.

RATE SCHEDULE PALS

4. TERM

(a) The term of service hereunder shall be set forth in the PALS Agreement between Shipper and MEP, subject to any rollover rights consistent with Section 16 of the General Terms and Conditions of the Tariff.

(b) Upon termination of any PALS Agreement, service by MEP to Shipper thereunder shall be terminated and automatically abandoned unless otherwise provided by contract pursuant to Section 16 of the General Terms and Conditions of this Tariff.

(c) MEP may terminate any PALS Agreement if MEP is required by the FERC or some other agency or court to provide service for others utilizing the interruptible System capacity or capability required for service under such PALS Agreement.

RATE SCHEDULE PALS

5. RATE

5.1 (a) Unless otherwise mutually agreed by MEP and Shipper, Shipper shall pay MEP under this Rate Schedule PALS a Usage Charge multiplied by the total quantity of gas either parked or borrowed each Day for the account of Shipper during the Month. The maximum Usage Charge shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas parked or borrowed in the aggregate for all Days in the Month.

(b) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

5.2 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

(b) Unless otherwise agreed by contract, if MEP constructs, acquires or modifies any facilities to perform service hereunder, then, to the extent provided in Section 5 of the General Terms and Conditions of this Tariff and pursuant to a separate agreement, either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a Monthly charge reflecting such facility costs.

5.3 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes received by MEP from Shipper under this Rate Schedule PALS.

RATE SCHEDULE PALS

5.4 (a) Unless otherwise provided by contract, MEP shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule PALS, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule PALS, including the applicable General Terms and Conditions.

(b) If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits MEP to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall be increased to the highest such rate unless the PALS Agreement or a separate discount, Negotiated Rate or Negotiated Rate Formula agreement provides that the rate established in such an agreement shall not be subject to such a modification or increase. Should additional documentation be required in order for MEP to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) days after a written request by MEP. If, at any time and from time to time, the FERC or any other governmental authority having jurisdiction in the premises requires MEP to charge a lower rate for transportation service hereunder, the rate shall be decreased to such reduced rate except as otherwise agreed under Section 5.1(b) of this Rate Schedule and Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements).

5.5 MEP may, consistent with any provisions on discounting in the PALS Agreement or in a separate discount, Negotiated Rate or Negotiated Rate Formula agreement, charge any individual Shipper for service under this Rate Schedule PALS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate may not be less than the applicable minimum rate for service under Rate Schedule PALS set forth in this Tariff except as otherwise provided in Section 30 of the General Terms and Conditions of this Tariff (as to Negotiated Rate or Negotiated Rate Formula agreements). MEP shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

RATE SCHEDULE PALS

5.6 All revenues collected by MEP as a result of providing service under Rate Schedule PALS shall be retained by MEP unless MEP has otherwise explicitly agreed on or the Commission has required a different disposition of such amounts. The Penalty Revenue (Section 9.3) provisions in the General Terms and Conditions of this Tariff represent an agreement by MEP on a different disposition of certain revenue.

RATE SCHEDULE PALS

6. QUANTITY

Each PALS Request Order shall specify in Dth the MAQ and a daily schedule of the quantities (including the MDQ) to be parked and/or loaned under the specific transaction. The daily schedule of returned volumes by the Shipper or MEP shall also be specified in the PALS Request Order. The quantities may be specified as a range of volumes (maximum and minimum aggregate and daily quantities and the related time periods) to be parked and/or loaned and returned, and the schedule may include the flexibility to do either a park or a loan within specified volume and time limits. The schedule may provide for flexibility in total volumes and in the daily volumes parked and/or loaned, in the timing of the park or the loan (or any portion thereof), in the duration of the park and/or loan (or any portion thereof) and/or the timing of the completion of the park or loan (or any portion thereof) by the return of gas to the Shipper or to MEP, and shall specify the limits of the flexibility allowed. Subject to the flexibility specified in the PALS Request Order, the MDQ RO shall be the maximum quantity MEP is obligated, on an interruptible basis, to receive from or deliver to Shipper under the PALS Request Order on the specified day. The MAQ RO shall be the maximum aggregate quantity MEP is obligated to hold or loan for the account of Shipper under the RO. The minimum aggregate and daily volumes to be parked and/or loaned and returned on an interruptible basis shall also be specified in the PALS Request Order. The sum total of a Shipper's MAQ ROs and MDQ ROs shall not exceed the MAQ and MDQ specified in the PALS Agreement. If a Shipper exceeds the MDQ or MAQ in the PALS Agreement or fails to comply with any quantity or timing parameter in the applicable PALS Request Order (unless such failure is due to MEP not confirming a nomination properly submitted), it shall be subject to overrun charges.

RATE SCHEDULE PALS

7. PALS POINTS OF SERVICE

Subject to the scheduling and curtailment priorities contained in the General Terms and Conditions of this Tariff, MEP will render service under this Rate Schedule at any Point(s) mutually agreeable to MEP and Shipper, including Pooling Points; provided, however, that service under Rate Schedule PALS is not available for Points on Leased Capacity. The Point(s) actually used in any park or loan service will be specified in a PALS Request Order. Gas parked or loaned at any point must be returned at the same Point unless the parties mutually agree on a different Point for the return and Shipper arranges for any transportation required to the different Point of return.

RATE SCHEDULE PALS

8. NOMINATIONS

It shall be solely Shipper's responsibility to provide MEP with daily nominations of the quantity of gas to be received or delivered at the Receipt or Delivery point(s) within the parameters specified in the applicable PALS Request Order. Nominations for any day or for any nomination cycle must be consistent with the PALS Request Order. It shall also be Shipper's responsibility to cause gas to be delivered to MEP and to cause gas to be received from MEP in accordance with the PALS Request Order. Nominations shall be subject to confirmation and scheduling in accordance with the General Terms and Conditions of this Tariff. If a nomination to reverse a park or loan is consistent with the PALS Request Order but cannot be confirmed by MEP, the Shipper must continue to nominate on subsequent days until MEP can confirm the nomination, unless the parties agree on a revised PALS Request Order. Differences between confirmed nominations and allocated volumes are subject to Balancing Service Charges under Section 10.8 of the General Terms and Conditions of this Tariff. Overrun charges apply as specified in Section 9.2 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

9. UPSTREAM AND DOWNSTREAM ARRANGEMENTS

Shipper shall make all necessary arrangements with upstream or downstream entities. Such arrangements must be consistent with this Rate Schedule PALS and must be coordinated with MEP.

10. ALLOCATION OF SERVICE

Scheduling and curtailment of service hereunder in relation to other services provided by MEP will be governed by the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

11. OPERATIONAL REQUIREMENTS OF MEP

(a) Shipper may be required, upon notification from MEP, to cease or reduce deliveries to, or receipts from, MEP hereunder within the Day consistent with MEP's operating requirements. Further, Shipper may be required to return all or a portion of borrowed quantities or remove all or a portion of parked quantities upon notification by MEP. Such notification may be by written communication, facsimile, telephone or electronic means. MEP's notification shall specify the time frame within which parked quantities shall be removed and/or borrowed quantities shall be returned, consistent with MEP's operating conditions and subject to the scheduling and confirmation of such volumes, but in no event shall the specified time be sooner than the next calendar day after MEP's notification.

(1) In the event that the specified time frame for removal or return of gas quantities is the next calendar day, the time frame for required removal or return shall begin from the time that Shipper receives actual notice from MEP. Notices provided after business hours for the next calendar day will be provided to Shipper via telephone and electronic means. In the event that Shipper makes a timely nomination in response to notification by MEP to remove parked quantities and/or return borrowed quantities, the obligation of Shipper to comply with the notification shall begin when MEP schedules the nomination; provided, however, Shipper shall exercise best efforts to nominate transportation service on a firm or interruptible basis, as necessary, to receipt and delivery points made available by MEP so as to accommodate, to the greatest extent possible MEP's notification to remove parked quantities and/or return borrowed quantities.

(2) Unless otherwise agreed by Shipper and MEP on a not unduly discriminatory basis:

RATE SCHEDULE PALS

(i) any parked quantity not removed within the time frame specified by MEP's notice shall be purchased by MEP at 50% of the Average Weekly Index Price (AWIP) that includes the date upon which MEP's notice was given;

(ii) any borrowed quantity not returned within the time frame specified by MEP's notice shall be sold to Shipper at 150% of the AWIP that includes the date upon which MEP's notice was given.

(b) In the event parked quantities remain in MEP's system and/or borrowed quantities have not been returned to MEP's system at the expiration of any PALS Request Order executed by Shipper and MEP, MEP and Shipper may negotiate to mutually agree to an extended time frame and/or modified terms, including the rate, of such PALS Request Order. In the event that Shipper and MEP are unable to come to such agreement, MEP shall notify Shipper and Shipper shall remove the parked quantities and/or return the borrowed quantities within the time frame specified in MEP's notice, which in no instance shall be less than one (1) calendar day. During a Critical Time, any parked quantities not removed within the time frame specified by MEP's notice shall be purchased by MEP at 50% of the applicable AWIP that includes the date upon which MEP's notice was given. Any borrowed quantities not returned within the time frame specified by MEP's notice shall be sold to Shipper at 150% of the applicable AWIP that includes the date upon which MEP's notice was given.

During a non-Critical Time, any parked quantities not removed within the time frame specified by MEP's notice shall be purchased at 65% of the AWIP. If, however, Shipper is unable to nominate quantities under the PALS Rate Schedule to remove such parked quantities due to an interruption on MEP's system, MEP shall waive the penalty (i.e., purchase of gas at 65% of the applicable AWIP that includes the date upon which MEP's notice was given) for a term equal to the greater of: (i) five (5) business days; or (ii) the duration of the interruption. Any borrowed quantities not returned within the time frame specified by MEP's notice shall be sold to Shipper at 135% of the applicable AWIP that includes the date upon which MEP's notice was given.

RATE SCHEDULE PALS

12. OVERRUN SERVICE AND UNAUTHORIZED GAS

(a) Upon request of Shipper, MEP shall if system capability is available accept nominations to park or loan on any Day quantities of Gas in excess of Shipper's MAQ and/or MDQ under the PALS Agreement and the related PALS Request Order when the capacity and operating capability of its System will permit such service without impairing the ability of MEP to meet its other obligations of equal or higher priority. In granting requests for Authorized Overrun Service, MEP shall act in a manner consistent with the service priorities set out in the General Terms and Conditions of this Tariff. Shipper shall pay MEP the applicable rate for Authorized Overrun Service set forth in this Tariff.

(b) For Unauthorized Gas, Shipper shall pay MEP the charges for Unauthorized Gas set out in Section 9.2 of the General Terms and Conditions of this Tariff.

13. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule PALS and shall apply to service rendered hereunder as though stated herein.

RATE SCHEDULE IBS
INTERRUPTIBLE BALANCING SERVICE

1. AVAILABILITY

(a) This Rate Schedule IBS is available to any entity (hereinafter called Shipper) which: (i) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof; (ii) executes an Interruptible Balancing Service Agreement (IBS Agreement) with MEP applicable to service under this Rate Schedule IBS; and (iii) meets the qualifications set out in subsection (b) of this Section.

(b) To be eligible for service under this Rate Schedule IBS, the Shipper must identify the service under its IBS Agreement as being for one specified end-use facility for each IBS Agreement; except that more than one facility may be specified to the extent limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. Such end-use facilities need not be directly connected to MEP's system, but the conditions specified in Section 3.2(c) of this Rate Schedule IBS must be met. To be eligible for service hereunder, the Shipper must have and maintain in effect an FTS or ITS Agreement to which the IBS Agreement is linked, consistent with Section 3.2(a) of this Rate Schedule IBS. The IBS Agreement must also specify a single Delivery Point for each end-use facility; provided, however, that limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. The Delivery Point may be any primary or secondary Delivery Point available under the linked transportation Agreement except for any Point on Leased Capacity; provided that the Delivery Point must be consistent with the location of the end-use facility. An IBS Agreement may only be linked to one transportation Agreement. A transportation Agreement may have more than one IBS Agreement linked to it, provided that the other requirements of this Rate Schedule IBS are satisfied.

(c) The form of the IBS Agreement is contained in this Tariff. There is no limitation on the number of IBS Agreements any one Shipper may have.

RATE SCHEDULE IBS

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

(a) This Rate Schedule IBS defines an interruptible imbalance management service for specified end-use facilities. Service hereunder shall be provided pursuant to Access Requests under Section 6 of this Rate Schedule IBS. This Rate Schedule shall apply to all imbalance management services provided by MEP for Shipper pursuant to an IBS Agreement. This service will be provided based on: System operational capability on MEP; resources provided by Third Party Balancing Agreements; and/or offsetting Access Requests under Section 6 of this Rate Schedule IBS. MEP is not providing a supply or storage service under this Rate Schedule IBS.

(b) This service is designed to help a Shipper accommodate differences between nominations and physical gas flows to specified end-use facilities under the FTS or ITS Agreement to which the IBS Agreement is linked consistent with Section 3.2(a) of this Rate Schedule IBS.

(c) MEP shall not be required: (1) to provide service hereunder in excess of the maximum daily access volume under the IBS Agreement as determined under Section 6(a) hereof or in excess of the maximum allowable cumulative IBS Balance as determined under Section 6(f) hereof; (2) to provide service hereunder on any day in excess of the MDQ of the IBS Agreement, reduced in the case of a swing up by the volumes nominated under the linked transportation Agreement for that day (and further reduced by releases of the linked transportation Agreement where applicable); or (3) to provide service hereunder which is not consistent with a confirmed Access Request pursuant to Section 6 of this Rate Schedule IBS.

RATE SCHEDULE IBS

(d) The service provided under this Rate Schedule IBS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only request service under this Rate Schedule IBS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by MEP under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP appropriate certification, including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering gas under an IBS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

(e) Service hereunder is provided on an interruptible basis. Priorities of service for the purposes of scheduling and curtailment are governed by the General Terms and Conditions of this Tariff. MEP will only provide service hereunder if the standard set out in Section 6(b) hereof is met.

(f) MEP shall have the right to waive any one or more specific defaults by any Shipper if such default will not affect the integrity of MEP's System or the quality of service and if the waiver is provided on a basis which is not unduly discriminatory, provided that such waiver is not inconsistent with any applicable Commission Regulations or orders, and provided also that any waiver given to a Shipper by MEP shall be made available to all similarly situated Shippers during the time period when it is in effect. No such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

RATE SCHEDULE IBS

3. VALID REQUESTS

3.1 A request for service under this Rate Schedule IBS shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:

(a) A request shall not be valid and MEP shall not be required to grant any such request: (i) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that MEP may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services: (ii) unless and until Shipper has provided MEP with the information required in Section 3.2 hereof; (iii) if MEP determines, based on the credit analysis referenced in Section 3.2(e) hereof, that Shipper lacks the financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (iv) if the service requested would not comply with this Rate Schedule IBS; or (v) if the service requested is at less than the applicable maximum rate; provided, however, that MEP may agree to provide service hereunder at a discount consistent with this Rate Schedule IBS. Nothing herein is intended to govern the scheduling and curtailment of service once a request for service has been granted pursuant to this Section and while an IBS Agreement is in effect. Such matters are governed by Section 6(b) of this Rate Schedule IBS and the General Terms and Conditions of this Tariff.

(b) Any request must be complete and comply with this Rate Schedule IBS. MEP shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to any of the reasons set out in Section 3.1(a) or if the request is incomplete or does not comply with this Rate Schedule IBS. If a request is not complete, MEP shall inform Shipper in writing of the specific items needed to complete the IBS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

RATE SCHEDULE IBS

(c) MEP shall tender an IBS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an IBS Agreement hereunder within ten (10) days after an IBS Agreement which accurately reflects the requested service has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if this delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time requirement.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department at One Allen Center, 500 Dallas, Houston, Texas 77002, or Telecopy Number (713) 369-9325:

(a) LINKED TRANSPORTATION AGREEMENT

Shipper shall identify in its request an FTS or ITS Agreement to which service hereunder will be linked. Such linkage must be consistent with this Rate Schedule IBS. The balancing service hereunder shall relate to the volumes delivered to the Delivery Point(s) on behalf of the end-use facility or facilities under the linked transportation Agreement. The effectiveness of the IBS Agreement is contingent upon Shipper having and continuing in effect the linked FTS or ITS Agreement, unless the parties agree on a substitute linked transportation Agreement. The linked transportation Agreement may be a released transportation Agreement but the Replacement Shipper must enter into a separate IBS Agreement; it cannot rely on the IBS Agreement of the Releasing Shipper. Service hereunder is not available at any Point on Leased Capacity.

(b) CONTRACT QUANTITY

The request must specify the MDQ under the IBS Agreement. The MDQ of the IBS Agreement may be equal to or less than the MDQ of the linked transportation Agreement. If the transportation Agreement is linked to more than one IBS Agreement, then the sum of the MDQs under IBS Agreements served by that linked transportation Agreement must be equal to or less than the transportation contract MDQ. The MDQ under an IBS Agreement must also be consistent with the

RATE SCHEDULE IBS

Point MDQ under the linked transportation Agreement and with the actual or reasonably projected usage served by MEP at the end-use facility or facilities. The MDQ may be redetermined at the request of either Shipper or MEP at any time by mutual agreement. In submitting nominations under the linked transportation Agreement, Shipper must separately identify the volumes attributed to the end-use facility or facilities covered by the IBS Agreement.

(c) END-USE FACILITY

Shipper shall specify the end-use facility or facilities for which imbalance management service is to be provided under the IBS Agreement. The IBS Agreement shall cover a single end-use facility except to the extent aggregation is permitted under Section 7(c) of this Rate Schedule IBS. Shipper shall also specify the Delivery Point for each such end-use facility. That Delivery Point must also be a point of delivery (either primary or secondary) available under the linked transportation Agreement. The location of such Delivery Point(s) must be consistent with the location of the end-use facility or facilities.

(1) The request shall contain a statement either: (i) that the service under the IBS Agreement will be used for the end-use facility or facilities identified in the request directly connected to MEP's system; or (ii) that service under the IBS Agreement will be used for the end-use facility or facilities identified in the request behind a Delivery Point or Points and the requirements of Subsection (2) herein below are or will be met. If not directly connected to MEP, the end-use facility or facilities must be directly connected to facilities of the point operator which are interconnected with MEP's system.

RATE SCHEDULE IBS

(2) Where an end-use facility is not directly connected to MEP's system, a separate IBS Monitoring Agreement must be agreed upon and executed among MEP, the Shipper, the operator of the end-use facility and the point operator and/or operator of interconnecting facilities. The IBS Monitoring Agreement must provide that (i) a designated entity (which may be the point operator at the Delivery Point under the IBS Agreement or other similar entity) will monitor the use of the service to assure that service is being provided hereunder to the end-use facility or facilities consistent with Rate Schedule IBS; and (ii) during periods when deliveries to the end-use facility are from more than one source, gas from MEP is deemed the first gas delivered to and used by the end-use facility unless another allocation is set out in the IBS Monitoring Agreement or is otherwise agreed upon by the parties. MEP will provide to the point operator or other monitoring entity relevant flow and nomination information related to the IBS Agreement. Service hereunder for any end-use facility not directly connected to MEP shall be contingent upon satisfaction on a continuing basis of these requirements.

(3) MEP may require that electronic measurement equipment be in place and the information accessible to MEP such that real time data on deliveries to the end-use facility or facilities or a reasonable substitute are available to MEP.

(d) TERM OF SERVICE

The request shall specify:

(1) The date service is requested to commence; and

(2) The date service is requested to terminate.

(e) CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by MEP in accordance with the General Terms and Conditions of this Tariff.

RATE SCHEDULE IBS

(f) COMPLIANCE WITH IBS TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule IBS, including the applicable General Terms and Conditions.

(g) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when the initial Access Request for balancing service under an executed IBS Agreement is submitted, and when any subsequent changes occur:

(1) Affiliation of the Shipper with MEP; and

(2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

RATE SCHEDULE IBS

4. TERM

(a) The term of service hereunder shall be set forth in the IBS Agreement between Shipper and MEP. The term provision must state that the IBS Agreement will terminate upon termination or expiration, and (in the case of a linked FTS Agreement) will be suspended upon release (if the release is partial, the suspension will be partial corresponding to the partial nature of the release), of the FTS or ITS Agreement to which the IBS Agreement is linked unless the parties mutually agree to substitute a new linked transportation Agreement. Where any specified end-use facility is not directly connected to MEP's system, the IBS Agreement will not apply to that end-use facility unless an IBS Monitoring Agreement covering that end-use facility is in effect.

(b) Upon termination or expiration of any IBS Agreement, service by MEP to Shipper thereunder shall cease and shall be automatically abandoned unless extended pursuant to the rollover provisions in Section 16 of the General Terms and Conditions.

(c) MEP may terminate any IBS Agreement if MEP is required by the FERC or some other agency or court to provide service for others utilizing the interruptible system capacity or capability required for service under such IBS Agreement or if MEP ceases (after receipt of any requisite regulatory authorization) to offer service of the type covered by the IBS Agreement.

RATE SCHEDULE IBS

5. RATE

5.1 (a) Shipper shall pay MEP each month for service under this Rate Schedule IBS the sum of the following charges:

(1) An Access Charge as provided in subsection (b) of this Section;

(2) Applicable Balancing Service Charges; and

(3) Any other applicable charges and penalties set out in this Rate Schedule IBS or the General Terms and Conditions of this Tariff.

(b) The Access Charge shall be the sum for the billing month of the then effective applicable daily Access Rate under the IBS Agreement multiplied each day by the absolute values of confirmed daily Access Requests for that Agreement to which that rate applies (Access Requests for swing up are not netted against Access Requests to swing down). Notwithstanding the foregoing, the Access Charge for any day shall be reduced to the extent that MEP curtails or interrupts service under Rate Schedule IBS that day, with the reduction to be calculated by multiplying the applicable daily Access Rate times that portion of the confirmed Access Request which is adversely affected by the curtailment or interruption. The maximum monthly Access Charge shall be the sum for that billing month of the applicable maximum unit daily Access Rate set out in this Tariff multiplied each day by the absolute values of confirmed daily Access Requests under the IBS Agreement to which that rate applies. The Access Charge payable by Shipper shall be the applicable maximum Access Charge unless a lower Access Charge is specified in the IBS Agreement or a separate discount agreement is assessed under Section 5.5 of this Rate Schedule IBS, which lower charge must be consistent with the minimum rate specified in this Tariff. By mutual agreement between MEP and Shipper which is consistent with the pro forma Agreement set out in this Tariff, discounts may be limited to specific volumes.

RATE SCHEDULE IBS

(c) For any volumes of service provided hereunder in excess of Shipper's maximum daily access volume as determined under Section 6(a) hereof, or any IBS Balance in excess of the maximum allowed cumulative IBS Balance under Section 6(f), Shipper shall pay either an authorized overrun rate, or an unauthorized gas charge consistent with Section 8 of this Rate Schedule.

(d) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate or a rate under a Negotiated Rate Formula shall specify the Negotiated Rate or Negotiated Rate Formula on which the Shipper is willing to agree.

5.2 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees, to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees.

(b) If MEP constructs, acquires or modifies any facilities to perform service hereunder, then as specified in an agreement between the parties either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a monthly charge reflecting such facility costs.

5.3 Shipper shall pay any transportation charges associated with effectuating the receipt or delivery of Gas hereunder pursuant to the FTS or ITS Agreement to which Shipper's IBS Agreement is linked, including any applicable Fuel Gas or Gas Lost and Unaccounted For, in accordance with the terms of that separate linked transportation Agreement. Shipper shall pay a transportation charge and related Fuel Gas and Gas Lost and Unaccounted For once, but only once, under the linked transportation Agreement associated with any IBS Balance as defined in Section 6(b) of this Rate Schedule IBS.

RATE SCHEDULE IBS

Shipper shall not pay any charge associated with IBS Payback except to the extent transportation charges under the linked transportation Agreement are required to satisfy the prior sentence. Any ACA or other generally applicable surcharges shall also be assessed under such linked transportation Agreement and no additional such charges shall be assessed under Rate Schedule IBS.

5.4 (a) Unless otherwise provided by contract, MEP shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule IBS, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule IBS. MEP agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of MEP's existing FERC Gas Tariff as may be found necessary to assure that its provisions are just and reasonable.

(b) If, at any time and from time to time, the Commission or any other governmental authority having jurisdiction in the premises allows or permits MEP to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the IBS Agreement or a separate discount agreement or Negotiated Rate or Negotiated Rate Formula agreement, be increased to the highest such rate. Should additional documentation be required in order for MEP to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) days after a written request by MEP. If, at any time and from time to time, the Commission or any other governmental authority having jurisdiction in the premises requires MEP to charge a lower rate for balancing service hereunder, the rate shall be decreased to such reduced rate.

5.5 MEP may from time to time and at any time, upon twenty-four (24) hours verbal or written notice, subject to any provisions on discounting in the IBS Agreement or in a separate discount agreement or Negotiated Rate or Negotiated Rate Formula Agreement, charge any individual Shipper for service under this Rate Schedule IBS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate charged may not be less than the applicable minimum rate for service under Rate Schedule IBS set forth in this Tariff. MEP will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically

RATE SCHEDULE IBS

state the effective date of such rate change and the quantity of gas so affected. Unless otherwise agreed in the IBS Agreement or in a separate discount agreement or Negotiated Rate or Negotiated Rate Formula Agreement, MEP may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the IBS Agreement and/or any discount agreement) upon twenty-four (24) hours' verbal notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of gas so affected. MEP shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

5.6 All revenues and gas in kind collected by MEP as a result of providing service under this Rate Schedule IBS shall be retained by MEP unless MEP has otherwise explicitly agreed on or the Commission has required a different disposition of such amounts. The Penalty Revenue (Section 9.3) provisions in the General Terms and Conditions of this Tariff represent an agreement by MEP on a different disposition of certain revenue.

RATE SCHEDULE IBS

6. ACCESS REQUESTS, PAYBACK NOMINATIONS, BALANCING SERVICE CHARGES, OVERRUN CHARGES, AND CASHOUT.

(a) Subject to the remainder of this Section 6, on any Day, Shipper may submit an Access Request for service under its IBS Agreement up to its MDQ; provided, however, that unless MEP otherwise agrees, the net effect (taking into account the direction of the request) of such Access Request for any Day may only result in service hereunder equal in volume to the difference between Shipper's then effective MDQ under the IBS Agreement (reduced by releases of the linked transportation Agreement as set out below) and Shipper's nominations to serve the specified end-use facility or facilities that Day under the linked transportation Agreement (maximum daily access volume). If Shipper has released any part of a linked firm transportation Agreement, such release(s) shall be taken into account in determining the level of service available under the IBS Agreement if the release(s) reduce the effective MDQ available to Shipper for nomination under the linked transportation Agreement to the designated Delivery Point(s) below the MDQ under the IBS Agreement. Except for authorized overrun, an Access Request for a swing up may not exceed the unnominated portion of the MDQ under the linked transportation Agreement (reduced as applicable by any releases).

(1) The Access Request, which shall constitute Shipper's nomination under the IBS Agreement, shall specify the volume and direction of the balancing service and must reference the specific IBS Agreement, end-use facility or facilities and Delivery Point(s) to which the service relates.

(2) For a Shipper to request service hereunder, that Shipper must have in effect a linked FTS or ITS Agreement consistent with Section 3.2(a) of this Rate Schedule IBS. The Access Request must reference the linked transportation Agreement.

(3) Intraday Access Requests may be submitted hereunder which increase the level of service requested. Such increased intraday Access Requests may be submitted on the same schedule as other intraday nominations.

RATE SCHEDULE IBS

(4) MEP will post for each Day, at least two (2) hours before nominations are due for that Day, whether service under Rate Schedule IBS is likely to be available on the System, or on any portion of the System.

(b) MEP shall confirm Access Requests made under an IBS Agreement which otherwise are consistent with this Rate Schedule IBS if, in MEP's reasonable judgment, MEP has the System operational capability or other resources, such as Third Party Balancing Agreements, to provide such service, without detriment to satisfaction of MEP's firm obligations or of any interruptible obligations which may be of higher priority or to MEP's System operational needs, it being understood that MEP is not providing a supply or storage service under this Rate Schedule IBS. MEP will not confirm any Access Request if granting such a request would be detrimental to MEP's ability to provide any firm service. MEP will also not grant any Access Request if doing so would materially increase the likelihood that MEP would declare a Critical Time or issue an Operational Flow Order affecting services identified in the prior sentence.

(1) MEP will attempt to offset Access Requests hereunder in one direction with Access Requests in the opposite direction, but MEP will only do so if the general standards of this subsection (b) can be met and MEP will not confirm Access Requests if the impact is detrimental to MEP's system.

(2) A confirmed Access Request shall be deemed authorization, up to the volume specified in the Access Request, for MEP to provide imbalance management service hereunder related to the linked transportation Agreement without further notice. Shipper shall not, however, be obligated to use such balancing volumes; i.e., Access Requests are used to define the level of balancing service available to the Shipper that day to cover IBS Balance volumes allocated under subparagraph (b)(3). This service is subject to the curtailment provisions of the General Terms and Conditions of this Tariff.

RATE SCHEDULE IBS

(3) MEP shall account separately under each IBS Agreement for all nominations to each specified end-use facility and for volumes actually utilized at each end-use facility; provided, however, that to the extent aggregation is permitted under Section 7(c) hereof, MEP shall account for all aggregated facilities on an aggregated basis. Any difference on any Day between nominations and physical gas flow under the linked FTS or ITS Agreement to the specified end-use facility or facilities in the direction of swing specified in the Access Request for that Day shall be allocated to the IBS Agreement unless otherwise expressly agreed. The resulting volume, which may be positive or negative, is the IBS Balance. Such differences in the opposite direction from the Access Request shall be allocated to the linked transportation Agreement or to other services contracted by Shipper pursuant to a predetermined allocation Agreement. Service hereunder allows Shipper to have daily imbalances or variances within the level of the confirmed Access Request. Volumes allocated to the IBS Agreement hereunder shall be treated as unauthorized overrun if the resulting IBS Balance is not within the volume level consistent with Shipper's confirmed Access Request under this Section 6. Volumes allocated to the IBS Agreement hereunder in excess of the maximum daily access volume or the maximum allowable cumulative IBS Balance which are consistent with the confirmed Access Request shall be authorized overrun under Section 8 of this Rate Schedule IBS.

(c) MEP shall provide to Shipper its best information on the IBS Balances under an IBS Agreement by at least one half hour prior to the time timely nominations are due for the next Gas Day. MEP shall identify both the IBS Balance for the Day and the cumulative IBS Balance. In the event that an allocation under Section 6(b) results in Shipper having a positive or negative IBS Balance, then unless otherwise agreed, Shipper shall be obligated to make a timely IBS Payback nomination under the linked transportation Agreement based on such timely information provided by MEP in the next daily nomination cycle up to its MDQ under the linked transportation Agreement to bring its IBS Balance for a day to zero (IBS Payback nomination). Such IBS Payback nominations may also be made at the time intraday nominations are due under the next Daily nomination cycle. MEP may adjust such IBS Balance information in future periods and Shipper's future payback obligations shall be adjusted accordingly, but Shipper may rely on any information provided by MEP

in making IBS Payback nominations. The IBS Payback nomination shall be separately identified and shall be a volume which is in excess of Shipper's projected requirements for that day at the relevant end-use facility or facilities. The IBS Payback nomination may represent (in whole or in part) overrun under the linked transportation Agreement, in which case the overrun shall be evaluated by MEP for scheduling purposes on the same basis as other overrun requests. Unless otherwise agreed, IBS Payback volumes nominated and confirmed shall be accounted for as the first gas through the meter on deliveries.

(1) IBS Payback nominations must reference the IBS Agreement. IBS Payback must be made to deliver gas to or take gas away from Delivery Points, as applicable, under the linked transportation Agreement, or at other mutually agreed points if delivery to those points would be beneficial to MEP's system, to achieve IBS Payback in relation to the Delivery Point(s). IBS Payback nominations shall be evaluated for scheduling and curtailment priority purposes on the same basis as other nominations under the linked transportation Agreement or at the mutually agreed points. Transportation charges shall be assessed under the linked transportation Agreement only if movement of the gas to the Delivery Point(s) has not previously been subject to a transportation charge, consistent with Section 5.3 of this Rate Schedule IBS.

(2) MEP has the right to delay or limit IBS Payback. To the extent MEP does not confirm an IBS Payback nomination, or the nomination is limited by rights under the IBS Agreement and/or linked transportation Agreement(s), as applicable, Shipper shall be obligated to make a timely IBS Payback nomination in each subsequent daily nomination period until the IBS Balance for that day has been eliminated; provided, however, that if MEP advises Shipper that no IBS Payback nominations will be accepted until a specified future date or will be limited in a specified way over a defined period, or as otherwise agreed, Shipper may forego or limit its IBS Payback nomination accordingly.

(d) If Shipper fails to make a timely and valid IBS Payback nomination to reduce its IBS Balance for a Day as required under this Section 6, then the Balancing Service Charges in Section 10.8 of the General Terms and Conditions of the Tariff shall apply, with no tolerance or exemption, based on the IBS Balance information provided to Shipper by MEP. Such charges will continue as applied to the remaining volume of the IBS Balance for that Day until valid IBS

RATE SCHEDULE IBS

Payback nominations adequate to eliminate the IBS Balance have been submitted under this Section 6. Such Balancing Service Charges shall also apply, with no tolerance or exemption, to the extent Shipper makes a timely and valid IBS Payback nomination which is confirmed by MEP, but IBS Payback is not actually effectuated by Shipper. The phrase "with no tolerance or exemption" as used herein shall mean the following: under Section 10.8(a)(1) of the General Terms and Conditions of this Tariff, the 0% to 5% tier does not apply and the lowest charge ($0.10/Dth) applies to variance between 0% and 10%; under Section 10.8(b) of the General Terms and Conditions of this Tariff, the 0% to 3% tier does not apply and the lowest charge (greater of $1.00 or 50% of DIP) applies to variances between 0% and 10%; and under Section 10.8(c) of the General Terms and Conditions of this Tariff, the 0% to 3% tier does not apply and the lowest charge (greater of $4.00 or 2 X DIP) applies to variances between 0% and 10%. Each Day for which an IBS Balance accrues is accounted for separately for purposes of applying Balancing Service Charges and the other provision of this Section 6. IBS Payback nominations shall apply first to the oldest Day's IBS Balance. No Balancing Service Charges shall apply for any Day, however, if Shipper makes a valid, timely and adequate IBS Payback nomination for that day within the limit specified in subsection (c) above, but that IBS Payback nomination is not confirmed by MEP for reasons other than that the nomination was not proper. Intraday IBS Payback nominations will not avoid Balancing Service Charges as to volumes not timely nominated unless confirmed by MEP and unless adequate under (c) above.

(e) A Shipper which is submitting an IBS Payback nomination for any Day may, also on that Day, submit an Access Request for additional service under this Rate Schedule IBS. Subject to the Balancing Service Charges and the restrictions in subsection (f) below, such Access Requests will be processed under and are subject to the same requirements and limitations as are imposed on all Access Requests by Sections 6(a) and 6(b) of this Rate Schedule IBS.

(f) The cumulative IBS Balance under an IBS Agreement may not exceed two (2) times Shipper's MDQ, absent agreement by MEP.

(g) Cashout provisions of the Tariff shall only apply to IBS Balances to the extent provided in Section 7(b) of this Rate Schedule. All IBS Balances must be zeroed out through the Access Request and IBS Payback nomination process in this Section 6, except as otherwise provided in Section 7(b) of this Rate Schedule.

RATE SCHEDULE IBS

7. UPSTREAM AND DOWNSTREAM ARRANGEMENTS, END-OF-TERM IMBALANCE AND AGGREGATION

(a) Shipper shall make all necessary arrangements with other parties at or downstream of the Delivery Points under the IBS Agreement. Such arrangements must be consistent with this Rate Schedule IBS and the linked FTS or ITS Agreement and must be coordinated with MEP.

(b) Shipper must have a zero IBS Balance at the end of the term of the IBS Agreement. If an IBS Balance remains at the end of the term, the remaining volumes shall be cashed out as set out at Section 10.4 of the General Terms and Conditions of this Tariff. Shipper and MEP may also mutually agree to cashout an IBS Balance at the end of any month under an IBS Agreement consistent with said Section 10.4.

(c) Except with prior agreement by MEP on a case-by-case basis, an IBS Agreement may cover only a single end-use facility and a single related Delivery Point.

(1) MEP will agree to limited aggregation of end-use facilities and Delivery Points under a single IBS Agreement pursuant to this subsection (c) if the following criteria are met:

(i) all the end-use facilities must have the same owner or operator (or a common agent consistent with this provision);

(ii) all the end-use facilities must be of the same type;

(iii) it must be operationally feasible for MEP to provide service on an aggregated basis to all such end-use facilities and points consistent with this Rate Schedule IBS; and

(iv) the number of end-use facilities to be aggregated may not exceed five (5) and the number of related points to be aggregated may also not exceed five (5).

RATE SCHEDULE IBS

(2) MEP will allow such aggregation with a common agent for the end-use facilities, provided that the other requirements of aggregation are satisfied. Such an agency relationship would be subject to satisfaction of the conditions set out in Section 6.8 of the General Terms and Conditions of this Tariff and the following more specific conditions: the agent must meet the same creditworthiness standards as a Shipper, MEP can rely upon representations by the agent until MEP receives written notice that the agency relationship has been terminated and aggregation will cease to be effective as of the date on which there is no longer a common agent.

(3) If the above criteria are met, MEP will permit the aggregation under a single IBS Agreement of up to five (5) end-use facilities at the same or different Points. The aggregated end-use facilities shall be accounted for in the aggregate, by use of a paper point. A Shipper may not aggregate in a single IBS Agreement both directly connected end-use facilities and end-use facilities which are not directly connected to MEP.

RATE SCHEDULE IBS

8. OVERRUN SERVICE

Upon request of Shipper, MEP may (but is not obligated to) provide service hereunder in excess of Shipper's maximum daily access volume under the IBS Agreement as determined under Section 6(a) hereof or Shipper's maximum allowed cumulative IBS Balance as determined under Section 6(e) hereof, in MEP's reasonable judgment, its System operational capability, other resources such as Third Party Balancing Agreements, or offsetting Access Requests will permit such balancing receipt or delivery without impairing the ability of MEP to meet its firm or other higher priority interruptible obligations, it being understood that MEP is not providing a supply or storage service under this Rate Schedule IBS. In granting requests for authorized overruns, MEP shall act in a manner consistent with the overrun service priorities set out in the General Terms and Conditions of this Tariff. Except for authorized overruns as reflected in confirmation of an Access Request, for which Shipper shall pay the applicable rate set out in the rate sheets of this Tariff, Shipper shall pay MEP the charges for unauthorized overrun set out in Section 9.2 of the General Terms and Conditions of this Tariff if balancing volumes in the direction of swing specified in the Access Request under an IBS Agreement exceed the volumes specified in the Access Request or, unless consistent with the Access Request, exceed the maximum daily access volumes under such IBS Agreement or the maximum allowed cumulative IBS Balance. MEP may waive or discount either authorized overrun or unauthorized gas charges on a basis which is not unduly discriminatory. With respect to authorized overrun charges associated with exceeding the allowed cumulative IBS Balance, it will be MEP's general policy to waive such charges if the charge results from MEP's decision not to accept IBS Payback and if maintaining the IBS Balance is beneficial to MEP's system.

RATE SCHEDULE IBS

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule IBS and shall apply to service rendered hereunder as though stated herein.

Effective Date: 04/10/2009 Status: Effective
FERC Docket: RP09-136-000

Sheet Nos. 86 - 99 Sheet Nos. 86 - 99

Sheet Nos. 86 through 99 are being reserved for future use.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

1.1 AGREEMENT

"Agreement" shall mean an agreement subject to, as applicable, Rate Schedule FTS, ITS, PALS or IBS.

1.2 ANCHOR SHIPPER

"Anchor Shipper" shall mean a Shipper holding one or more FTS Agreements utilized to support the initial certification of the System and were entered into prior to the Commencement Date provided that, unless otherwise mutually agreed, such Shipper must hold in the aggregate at least 150,000 Dth/d of firm capacity in Zone 1 and at least 150,000 Dth/d of firm capacity in Zone 2 for a minimum term of 10 years under such FTS Agreements; and provided further that such Shipper is not a Foundation Shipper.

1.3 AUTHORIZED OVERRUN

"Authorized Overrun Gas" shall mean those volumes of Gas nominated and confirmed for transportation by Shipper on any Day in excess of its currently effective MDQ, to the extent such Gas is scheduled under Section 6 of these General Terms and Conditions.

1.4 AVERAGE INDEX PRICES

(a) "Average Monthly Index Price" or "AMIP" for each calendar Month, to be used for calculations under Section 36 of these General Terms and Conditions (relating to Fuel Gas and Unaccounted For Gas), shall be determined using prices published in Platts' monthly "Gas Daily Price Guide" in the table entitled "Midpoint Averages, (Month)". "AMIP" shall be equal to the weighted average of the prices for the Month for NGPL, Texok zone and for NGPL, Midcontinent, with NGPL, Texok zone weighted at 64% and NGPL, Midcontinent weighted at 36%.

If one or both of the above monthly prices is no longer published by Gas Daily, the equivalent monthly average prices in the Energy Intelligence Group publication "Natural Gas Week" will be used to determine "AMIP".

GENERAL TERMS AND CONDITIONS

(b) Average Weekly Index Price or "AWIP"

"Average Weekly Index Price" or "AWIP" shall mean for any week the average price published for the following indices for the following zones:

(i) The Gas Daily Weekly Weighted Average Price for the Louisiana-Onshore South, Columbia Gulf, mainline shall apply to Zone 1;

(ii) The Gas Daily Weekly Weighted Average Price for Mississippi-Alabama, Transco, Zone 4 shall apply to Zone 2.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, MEP will post that information on its interactive Website and shall discontinue use of that referenced index in computing the Weekly Index Price. During any period when an index is unavailable, MEP shall compute the Average Weekly Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) days, MEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Average Weekly Index Price. Shippers may protest MEP's filing with the Commission. MEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used.

1.5 BOOSTER COMPRESSION

"Booster Compression" shall mean compression installed by MEP to facilitate the receipt of gas into its System at Richland Parish, Louisiana.

1.6 BUSINESS DAY

Monday through Friday, 8:00 a.m. to 4:30 p.m. Central Clock Time excluding Federal Banking Holidays.

GENERAL TERMS AND CONDITIONS

1.7 CENTERPOINT LATERAL

CenterPoint Lateral shall mean the lateral extending 4 miles south of MEP's mainline from a point near the boundary of Zone 1 and Zone 2 in Madison Parish, LA. Gas receipts into MEP's system from the CenterPoint Lateral shall be deemed to be in Zone 2, and gas deliveries from the System via the CenterPoint Lateral shall be deemed to be in Zone 1.

1.8 COMMENCEMENT DATE

"Commencement Date" shall mean the first date on which any Shipper has commenced service under an Agreement on any portion of the System after the end of Interim Period Service.

1.9 CONTRIBUTION IN AID OF CONSTRUCTION OR CIAC

"Contribution in Aid of Construction" or "CIAC" shall, unless otherwise mutually agreed, mean the payment made to MEP for the installation of new or expanded facilities at interconnection points for the receipt by MEP or the delivery by MEP of gas on behalf of Shipper. Unless otherwise agreed, the CIAC shall include all construction costs, including any filing fee (Investment Costs), on a mutually agreed payment schedule. In addition, if applicable, Shipper shall provide a reimbursement amount to compensate for income tax effects associated with such facilities (Tax Reimbursement). The Tax Reimbursement, where applicable, shall be an amount to compensate for the income tax effects of the CIAC, according to the following formula;

Tax Reimbursement = [tax rate x (Investment Cost - present value of tax depreciation)] x [1 + {tax rate/(1 - tax rate)}]

GENERAL TERMS AND CONDITIONS

1.10 DAILY INDEX PRICE OR DIP

"Daily Index Price" or "DIP" shall mean for any Day the volume weighted average of the midpoint prices published for such Day, using flow Day and volume data as shown for the following indices:

(a) The Gas Daily Daily Price Survey for the East Texas-North Louisiana Area, NGPL, Texok Zone (Midpoint Column);

(b) The Gas Daily Daily Price Survey for Mississippi-Alabama, Transco, Zone 4 (Midpoint Column).

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, MEP will post that information on its Interactive Website and shall discontinue use of that referenced index in computing the Daily Index Price. During any period when an index is unavailable, MEP shall compute the Daily Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) days, MEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Daily Index Price. MEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest MEP's filing with the Commission.

1.11 DAY OR GAS DAY

"Day" or "Gas Day" shall mean a period of twenty four (24) from nine o'clock (9:00) a.m. and ending at nine o'clock (9:00) a.m. Central Clock Time.

1.12 DELIVERY POINT

The term "Delivery Point" shall mean any Point at which MEP delivers to or for the account of Shipper Gas which has been transported by MEP under any Rate Schedule in this Tariff, as specified in an Agreement, or a Point at which Gas is delivered to Shipper pursuant to a Request Order under Rate Schedule PALS or as applicable to service under such Agreement by operation of this Tariff.

GENERAL TERMS AND CONDITIONS

1.13 DTH

The term "Dth" shall mean one million (1,000,000) Btus and is equivalent to one (1) MMBtu.

1.14 ELECTRONIC DATA INTERCHANGE ("EDI")

The term "EDI" shall mean Electronic Data Interchange.

1.15 EQUIVALENT VOLUMES

"Equivalent Volumes" shall mean the sum of the volumes of Gas measured in Dth received by MEP for the account of a Shipper at the Receipt Points during any given period of time: (a) reduced by (i) that Shipper's share of Fuel Gas and Unaccounted For Gas and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of five (5) pounds per million (1,000,000) cubic feet of Gas, it being the intent of the parties that the volumes of Gas delivered hereunder at the Delivery Point after transportation be the thermal equivalent of the volumes of Gas delivered at the Receipt Point for transportation, after reduction, correction and adjustment as provided above. In determining Equivalent Volumes for redelivery, MEP shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. Fuel Gas and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions. Equivalent volumes shall be determined separately for Leased Capacity by a corresponding calculation, reduced by Fuel Gas and Unaccounted For Gas applicable to Leased Capacity.

1.16 FERC

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which were exercisable by the Federal Energy Regulatory Commission.

GENERAL TERMS AND CONDITIONS

1.17 FOUNDATION SHIPPER

"Foundation Shipper" shall mean a Shipper holding one or more FTS Agreements utilized to support the initial certification of the System which were entered into prior to the Commencement Date; provided that, unless otherwise mutually agreed by MEP and the Foundation Shipper, such Shipper must hold in the aggregate at least 500,000 Dth/d of firm capacity in Zone 1 and at least 300,000 Dth/d of firm capacity in Zone 2 for a minimum term of 10 years under such FTS Agreements.

1.18 FUEL GAS

"Fuel Gas" means the thermal equivalent of that volume of Gas actually used or incurred by MEP (excluding fuel incurred on Leased Capacity) to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points. Consistent with Section 36 of these General Terms and Conditions, Booster Compression fuel incurred by MEP shall be determined separately and is not included in Fuel Gas.

1.19 GAS

"Gas" shall mean combustible hydrocarbon Gas.

1.20 HEATING VALUE

The term "heating value" shall mean the number of Btus per cubic feet of Gas at the base condition of 14.73 psia 60 degrees Fahrenheit dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-96, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

GENERAL TERMS AND CONDITIONS

1.21 INTERACTIVE WEBSITE

The term "Interactive Website" shall mean the interactive internet web site maintained by MEP for communication regarding its transportation services in accordance with applicable Commission Regulations and NAESB Standards, as more fully described in Section 13 of these General Terms and Conditions.

1.22 INTERIM PERIOD SERVICE

"Interim Period Service" shall mean service provided by MEP prior to the time that all facilities certificated in Docket No. CP08-6 (except Preapproved Capacity facilities) are placed into service. Interim Period Service will terminate once all the facilities for which certificate authority has been requested in Docket No. CP08-6 (except for Preapproved Capacity facilities) have been completed and placed in service.

1.23 LEASED CAPACITY AND LEASED CAPACITY CHARGES

"Leased Capacity" shall mean the capacity in the Enogex Inc.'s System (Enogex) leased by MEP from Enogex. The Leased Capacity shall be treated as if it were MEP's own capacity and shall be used by MEP to provide the services set forth in the Rate Schedules and General Terms and Conditions herein. Any Shipper using the Leased Capacity shall pay incremental Leased Capacity Charges in addition to any applicable charges for Zone 1 and/or Zone 2. The Leased Capacity Charges shall represent the costs incurred by MEP under the lease with Enogex, including fuel and unaccounted for gas, reservation type charges for firm service and a rate per Dth for interruptible service. The Leased Capacity Charges will reflect the charges assessed by Enogex to MEP as they change from time to time, including any credits from Enogex. Service to Shippers on the Leased Capacity differs from service on the remainder of the System in the following respects:

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(a) Shippers are subject to different Gas quality standards for Gas receipts on the Leased Capacity (See Section 19 of these General Terms and Conditions).

(b) Shippers have different secondary point rights on Leased Capacity (See Section 2.4 of these General Terms and Conditions).

(c) Shippers have different rights to change points on the Leased Capacity (see Section 2.1(d) of these General Terms and Conditions).

(d) Shippers cannot segment Leased Capacity (see Section 6.13 of these General Terms and Conditions).

(e) Shippers pay separate Leased Capacity Charges which are designed to achieve a flow-through by MEP of charges paid Enogex. The Leased Capacity Charges include: Reservation Charges for firm service, a rate per Dth for interruptible service, a rate for fuel which includes unaccounted for gas, and Leased Capacity Activity Charges (as defined below). Shippers do not pay MEP's Reservation Charges, Commodity Charges, Fuel Gas Charges, Unaccounted For Gas Charges, Balancing Service Charges or other charges with respect to Leased Capacity. Notwithstanding the foregoing, a Negotiated Rate or Negotiated Rate Formula may apply to the Leased Capacity.

(f) A Releasing Shipper cannot segment Leased Capacity and the price for the release of Leased Capacity is capped at the level of the Leased Capacity Charges (See Section 14 of these General Terms and Conditions).

(g) Rights of first refusal shall apply to Leased Capacity to the extent provided in Section 16.2(a) of these General Terms and Conditions).

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(h) Flexible hourly take rights do not apply to the Leased Capacity (See Section 18.3 of these General Terms and Conditions). Provided, however, to the extent charges for hourly take services are incurred by MEP on behalf of its Shippers' activities on the Leased Capacity, the costs associated with such hourly take services shall be a Leased Capacity Activity Charge to be included as part of the Leased Capacity Charge.

(i) Balancing Service Charges do not apply to the Leased Capacity. See Section 10 of these General Terms and Conditions. Provided, however, to the extent charges for balancing services are incurred by MEP on behalf of its Shippers' activities on the Leased Capacity, the costs associated with such balancing services shall be Leased Capacity Activity Charges, which will be included as a Leased Capacity Charge.

1.24 LEASED CAPACITY ACTIVITY CHARGES

"Leased Capacity Activity Charges" shall mean any charges (other than reservation, commodity and fuel and including lost and unaccounted for gas charges) Enogex assesses MEP attributable to the activities of MEP's Shippers on the Leased Capacity, including, but not limited to, hourly take rights or balancing services.

1.25 MCF

"Mcf" shall mean one thousand (1,000) cubic feet of Gas.

1.26 MDQ

"MDQ" shall mean the maximum daily quantity of Gas which MEP is obligated to transport and deliver in the aggregate, as specified in the Agreement, except for Authorized Overrun Gas.

GENERAL TERMS AND CONDITIONS

1.27 MONTH

"Month" shall mean the period beginning on the first day of any calendar month and ending on the first day of the next succeeding calendar month.

1.28 NEGOTIATED RATE

The term "Negotiated Rate" shall mean a rate provision under which MEP and Shipper have agreed on the amount to be charged for the service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate 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. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a Negotiated Rate. A Negotiated Rate arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to Leased Capacity as well as other capacity on MEP's System.

1.29 NEGOTIATED RATE FORMULA

The term "Negotiated Rate Formula" shall mean a rate formula provision which MEP and Shipper have agreed will be applied to service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate 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. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a rate pursuant to a Negotiated Rate Formula. A Negotiated Rate Formula arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to Leased Capacity as well as other capacity on MEP's System.

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1.30 NOMINATION

"Nomination" shall mean the requests for service submitted pursuant to Section 6 of these General Terms and Conditions.

1.31 OPERATIONAL BALANCING AGREEMENT ("OBA")

An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. MEP shall not be obligated to enter into an OBA with any form of cashout.

1.32 OVERAGE AVERAGE MONTHLY INDEX PRICE (OAMIP)

The Overage Average Monthly Index Price or "OAMIP" shall mean the index price used in determining cashout amounts for overages as provided in Section 10.4 of these General Terms and Conditions.

1.33 POINT

"Point" shall mean a physical point on MEP's system at which gas can be received and/or delivered and which is utilized to provide service under Rate Schedules FTS, ITS, PALS or IBS.

1.34 POINT MDQ

Each FTS Agreement shall specify a Point MDQ for each Receipt Point and each Delivery Point. "Point MDQ" shall mean: (i) the maximum daily quantity of Gas which MEP is obligated to deliver on a primary firm basis at Delivery Points; and (ii) the maximum daily quantity of Gas which MEP is obligated to receive on a primary firm basis at Receipt Points, exclusive of Fuel Gas and Unaccounted For Gas. At Receipt Points, MEP shall be obligated to accept applicable Fuel Gas and Unaccounted For Gas on a primary firm basis in addition to the Point MDQ volume.

1.35 POOLING POINT

Pooling Point shall have the meaning set out in Section 6.12 of the General Terms and Conditions of this Tariff.

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1.36 PREAPPROVED CAPACITY

"Preapproved Capacity" shall mean the capacity resulting from facilities which MEP obtains authority in its initial certificate application in Docket No. CP08-6 to construct at a future date which would expand the initial capacity of its System.

1.37 RECEIPT POINT

"Receipt Point" shall mean any Point at which Gas is tendered by or for the account of Shipper to MEP for transportation as specified in an Agreement, or for the receipt of gas by MEP pursuant to a Request Order under Rate Schedule PALS, or as applicable to service under such Agreement by operation of this Tariff.

1.38 RECOURSE RATE

"Recourse Rate" shall mean the applicable maximum rate which would apply to the service but for the rate flexibility allowed under Sections 30 and 34 hereof.

1.39 SHIPPER

The term "Shipper" shall mean a Shipper as defined in any of the Rate Schedules governed by these General Terms and Conditions. In addition, in a given context, Shipper may refer to an entity which is seeking to become a Shipper.

1.40 STANDARD SHIPPER

"Standard Shipper" shall mean any Shipper which is not a Foundation Shipper or an Anchor Shipper and shall hereinafter be referred to as "Shipper".

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1.41 STANDARD REPORTING BASIS

"Standard Reporting Basis" for Btu shall mean 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). "Standard Reporting Basis" for gigacalorie shall mean 1.035646 Kg/cm squared and 15.6 degrees C, and dry.

"Standard Reporting Basis" for Gas volumes shall mean cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

1.42 SYSTEM

"System" shall mean the pipeline, any compression and related facilities owned or leased by MEP, including Zone 1, Zone 2 and the Leased Capacity.

1.43 UNACCOUNTED FOR GAS

"Unaccounted For Gas" shall mean the thermal equivalent of the difference between the sum of all input volumes of Gas to the System (including Fuel Gas) and the sum of all output volumes of Gas from the System plus Fuel Gas, which difference shall include but shall not be limited to Gas vented (other than Gas that can be attributed to an offending Shipper) line heater Gas and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified; provided, however, that unaccounted for Gas on the Leased Capacity shall not be included. Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions. The Leased Capacity Charges include any Unaccounted For Gas on the Leased Capacity.

1.44 UNAUTHORIZED GAS

"Unauthorized Gas" shall mean volumes of Gas received from or delivered to (or on behalf of) Shipper at a Point in excess of confirmed nominations.

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1.45 UNDERAGE AVERAGE MONTHLY INDEX PRICE (UAMIP)

The Underage Average Monthly Index Price or "UAMIP" shall mean the index price used in determining cashout amounts for underages as provided in Section 10.4 of these General Terms and Conditions.

1.46 YEAR

"Year" shall mean a period of three hundred sixty-five (365) consecutive days or three hundred sixty-six (366) consecutive days if such period includes February 29.

1.47 ZONE 1

"Zone 1" shall mean that portion of the System which extends from the beginning of the System in Bryan County, Oklahoma, to the interconnection with the facilities of Columbia Gulf Transmission Corporation near Perryville, Louisiana. The Leased Capacity is not included in either Zone 1 or Zone 2.

1.48 ZONE 2

"Zone 2" shall mean that part of the System which extends from the terminus of Zone 1 to an interconnection with the facilities of Transcontinental Gas Pipe Line Corporation in Choctaw County, Alabama.

1.49 ZONE BOUNDARY TRANSFER POINT

"Zone Boundary Transfer Point" shall means a paper point available to effectuate transfers of Gas from the Zone 1 Pooling Point to Zone 2 (deemed located at the boundary of Zone 1 and Zone 2) for contracting purposes only, which may be used as a primary receipt point solely under a contract with firm capacity rights only in Zone 2. The Zone Boundary Transfer Point is available for the sole purpose of effectuating transfers between the Zone 1 Pooling Point and Zone 2 pursuant to Section 6.12(h) of the General Terms and Conditions, and is not available for the receipt of Gas nominated from any point in Zone 1 other than the Zone 1 Pooling Point.

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2. PRIORITY OF SERVICE

2.1 ALLOCATION OF CAPACITY

(a) GENERAL

This Section 2.1 governs the allocation of firm capacity on MEP's System among entities requesting firm services in assigning priority to otherwise valid requests for any particular firm service. In applying such criteria where a Negotiated Rate or Negotiated Rate Formula is involved, the value assigned to a request which includes a Negotiated Rate or Negotiated Rate Formula shall be limited by the Recourse Rate as provided in Section 30 of these General Terms and Conditions. MEP shall not be required to grant otherwise valid requests at less than the applicable maximum rate, but may do so on a non-discriminatory basis.

(b) CAPACITY AWARD PROCEDURES

This Section 2.1(b), together with Sections 2.1(c) and 16 of these General Terms and Conditions, sets out the procedures to be followed by MEP in awarding all firm forward-haul transmission capacity becoming available on its System; provided, however, that these procedures do not apply to the initial allocation of such firm capacity created by the construction of new facilities (including the initial construction and any extensions and expansions of MEP's System). The allocation of Preapproved Capacity is subject to contractual provisions entered into with Foundation Shippers pursuant to Section 2.7 of Rate Schedule FTS.

(1) INITIAL OPEN SEASON

MEP shall conduct an Initial Open Season for all firm forward-haul transmission capacity becoming available on its System; provided, however, that the Initial Open Season procedure shall not apply (and the capacity shall not be considered as available or becoming available) where an existing Shipper has the right of first refusal or other rollover right under Section 16 of these General Terms and Conditions unless and until all such rollover rights have expired or, if the right of first refusal is exercised, the right of first refusal process has concluded and the capacity has not been awarded; and provided further that the allocation of capacity shall be subject to contractual provisions entered into with Foundation Shippers pursuant to Section 2.7 of Rate Schedule FTS.

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(i) An Initial Open Season shall be conducted so that the open season would end at least two (2) Business Days before the date the firm capacity becomes available. Such capacity may not be awarded, except as otherwise provided in this Section 2.1 or Section 16 of these General Terms and Conditions, until after an Initial Open Season has been conducted.

(ii) In any Initial Open Season, the minimum posting and bidding period applicable to firm capacity available for less than one (1) Year is from 9:00 a.m. to 2:00 p.m. Central Clock Time on a Business Day and the minimum posting and bidding period for firm capacity available for one (1) Year or longer is four (4) Business Days, with the minimum posting periods each day being from 9:00 a.m. to 2:00 p.m. Central Clock Time.

(iii) The posting for an Initial Open Season shall include the following items:

(A) The bidding procedure to be used, including an explanation of how bids are to be submitted, a bid form, instructions for satisfying the request criteria under the applicable rate schedule, and the complete bid evaluation criteria consistent with this Section 2.1.

(B) The timetable for posting and bidding, which timetable must be consistent with Section 2.1(b)(1)(ii).

(C) The location, duration and amount of firm capacity to be covered by the Initial Open Season, and the date on which such firm capacity will be available.

(D) Contingencies, if any, which will be accepted in open season bids.

(E) Any other bid requirements, conditions, criteria, restrictions or parameters.

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(iv) In the Initial Open Season, all bids must be submitted in the basic rate design then in effect on MEP's system and are constrained by the applicable maximum and minimum rates. No bid with rates in the form of a Negotiated Rate or Negotiated Rate Formula will be valid in an Initial Open Season.

(v) MEP shall establish a reserve price or reserve price matrix in every Initial Open Season, consistent with Section 2.1(c)(5) of these General Terms and Conditions.

(vi) Unless otherwise specified in the posting, a bidder may bid on all or any portion of the term for which the firm capacity is available and on all or any portion of the capacity available. MEP shall make firm capacity available without any term limit unless that firm capacity is committed at some future time under a then existing contract or that firm capacity is operationally available only for a limited period of time. Any term limit shall reflect such a contractual or operational constraint. MEP shall specify any such term limit, and the reasons for the term limit, in the posting. MEP may only impose minimum volume, geographical or term requirements on bids for operational reasons, such as maintaining pressure or sustaining the minimum level of prudent facility operations on any affected portion(s) of its System.

(vii) MEP shall have the right to terminate an Initial Open Season through a termination posting if there is a material error in the Initial Open Season posting, which error shall be explained in the termination posting. MEP shall have the right to extend an Initial Open Season for good cause, as explained in the extension posting, or as specified in the original Initial Open Season posting.

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(viii) All bids received during the open season period remain binding on the bidder through the end of the open season unless withdrawn by bidder. At the end of any open season, all bids either withdrawn or not accepted shall be deemed null and void. A bidder may withdraw its bid at any time during the open season, utilizing the same medium through which a bid can be submitted. A bidder which has withdrawn a bid may submit a bid with a higher value during the open season, but neither that bidder nor any of its affiliates may submit during that open season a bid with a lower value than the withdrawn bid [value is to be determined applying the criteria in Section 2.1(c), consistent with the posting for that open season], except if the withdrawn bid was withdrawn due to a material error. A bidder may withdraw a bid for a material error by notifying MEP by the deadline for bids that the bid contains a material error, which notification shall explain the material error.

(ix) If an open season is extended, a bidder is free to submit a new bid without restriction in the extended open season even if that bidder withdrew its bid in the original open season. If a bidder withdraws its bid in an extended open season, the same rules as in an original open season apply to that bidder.

(x) Once firm capacity has been subject to an Initial Open Season, MEP is not required to hold any further Initial Open Season for that capacity (or portion of such capacity) until that capacity (or a portion thereof) again becomes available through the expiration of a contract covering any portion of such capacity entered into under this Section 2.1(b) and any related rollover contract under Section 16 of these General Terms and Conditions, in which case the capacity under such contract shall be subject to an Initial Open Season.

(2) REQUEST PROCEDURE

For firm capacity which is not awarded in the Initial Open Season process and for existing firm capacity which is not subject to the Initial Open Season process or to Section 16 of these General Terms and Conditions, MEP may award such capacity through either the Request Procedure in this Section 2.1(b)(2) or the Additional Open Season Procedure in Section 2.1(b)(3) of these General Terms and Conditions. Unsubscribed capacity may also be awarded pursuant to contractual provisions entered into with Foundation Shippers pursuant to Section 2.7 of Rate Schedule FTS.

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(i) MEP may award such firm capacity in response to request(s) for firm service in writing or on its Interactive Website which conform to the requirements in the applicable rate schedule for valid requests (including meeting credit criteria). A request may be unsolicited or pre-negotiated, but no communication will be considered a request hereunder unless it constitutes a valid request for service consistent with the applicable rate schedule and has been submitted in writing or via MEP's Interactive Website.

(ii) A request for firm capacity will be binding on the entity requesting firm capacity for two (2) Business Days or until the request is accepted or rejected by MEP, whichever is earlier. MEP shall respond to any request for firm capacity within two (2) Business Days. Unless granted by MEP, all requests submitted are void effective the earlier of the time when MEP rejects the request or two (2) Business Days after the request is submitted. MEP cannot grant any request which has become void, but a request becoming void hereunder is without prejudice to any future request by that Shipper or any other Shipper.

(iii) The rate form under a request may be either the basic rate design then in effect on MEP's System or a Negotiated Rate or Negotiated Rate Formula rate form.

(iv) MEP is not obligated to award firm capacity based on a request at less than the applicable maximum rate, but any capacity award must be consistent with Section 2.1(c) of these General Terms and Conditions if there are competing valid requests pending. For purposes of applying the evaluation criteria in Section 2.1(c) of these General Terms and Conditions, only pending valid requests which have not become void under (ii) are considered to be competing.

(v) Requests shall not be accepted or valid as to any firm capacity which is subject to an Initial Open Season or an Additional Open Season during any period between the posting of that open season and the award of capacity (or the decision not to award capacity) under that open season.

(3) ADDITIONAL OPEN SEASON PROCEDURE

(i) If available firm capacity has not been awarded in the Initial Open Season, MEP may at any time elect to hold an Additional Open Season for that capacity.

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(ii) The posting requirements and minimum posting and bidding periods for an Additional Open Season shall be the same as for an Initial Open Season under Section 2.1(b)(1), except that MEP will post any additional items necessary to comply with this Section 2.1(b)(3).

(iii) In the Additional Open Season, MEP may limit the firm capacity available to that defined in the posting and may make such defined firm capacity available only for a specified term or range of terms, which limitation(s) must be included in the posting.

(iv) In the Additional Open Season, bids may be on a Negotiated Rate or Negotiated Rate Formula basis to the extent specified in the posting. MEP may limit the form of Negotiated Rate or Negotiated Rate Formula submitted, in which case that limitation must be reflected in the posting. Bids may always be submitted in the basic rate design then in effect on MEP's System at the applicable maximum rate.

(v) MEP may, but is not required to, establish a reserve price or reserve price matrix in an Additional Open Season, consistent with Section 2.1(c)(5) of these General Terms and Conditions.

(4) SPREADSHEETS

Contemporaneous with posting of an open season, MEP shall make available (subject to reasonable user requirements) electronic spreadsheets setting out the analyses which will be used to determine the winning bid(s), in a format which will allow the user to calculate net present value.

(5) CONDITIONS ON REQUESTS AND BIDS

This subsection sets out conditions applicable to all requests and bids for firm capacity. MEP shall reject any request or bid for service which may detrimentally impact the operational integrity of MEP's System (if MEP rejects a bid or request on this basis, it will provide a written explanation of the operational basis for this action); which does not satisfy all the terms of an applicable posting or tariff provision and/or does not

provide all the information required by the posting or tariff provision; which contains terms and conditions other than those in MEP's Tariff and/or any applicable posting; which would not constitute a valid request under the applicable rate schedule (it being understood that a bid in an open season cannot be rejected for incompleteness if all information required by the bid form and applicable posting has been provided); or is in any way inconsistent with MEP's Tariff and/or any applicable posting. Any Shipper wishing to bid in an open season or submit a request for capacity must satisfy the creditworthiness requirements in Section 12 of these General Terms and Conditions prior to submitting a bid or request. A Shipper cannot bid for or request services which exceed its pre-qualified level of creditworthiness. MEP shall process - and encourages - applications from potential bidders or requesters seeking prequalification for bids or requests they may make in the future. Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in MEP's rate schedule covering the applicable service. Should a potential bidder or requester fail to satisfy such credit criteria, it may still qualify by providing a prepayment, letter of credit, security interest or guarantee satisfactory to MEP as further set forth in Section 12.1(b) of these General Terms and Conditions. Based on MEP's continuing review of a Shipper's financial records, MEP shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.

(6) ROFR OR ROLLOVER RIGHTS

The capacity allocation procedures of this Section 2.1(b) shall not apply where a Shipper is utilizing with respect to its existing capacity the Right of First Refusal procedures or contractual rollover rights pursuant to Section 16 of these General Terms and Conditions or the rights of a Foundation Shipper under a contractual provision entered into pursuant to Section 2.7 of Rate Schedule FTS. Instead, the procedures in said Section 16 or 2.7 will govern the award of capacity in such instances.

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(7) CAPACITY AWARDED FOR LIMITED PERIOD

This provision applies in situations where firm capacity is awarded for a limited time period ending on a date no later than the date on which such capacity is required to provide service under one or more preexisting FTS Agreements or where firm capacity is operationally available only for a limited time period; provided that this provision does not govern the rights of Foundation Shippers receiving Interim Period Service.

(i) MEP may market such capacity for all or any portion of the limited time period until service under the capacity award becomes effective, or until the capacity is no longer operationally available.

(ii) MEP shall limit the rights of the Shipper awarded the capacity to the limited time period, so that the Shipper has no rollover rights or rights of first refusal which extend beyond the limited time period; provided, however, that nothing herein shall be read to limit the rights of Foundation Shippers to continued service beyond the expiration of Interim Period Service. MEP will indicate in any open season posting for such capacity the limitation on rights which will apply to such firm capacity awarded for the limited time period.

(c) EVALUATION OF COMPETING BIDS AND REQUESTS

In comparing valid bids received in an open season or in comparing two or more valid and competing pending requests for service under the Request Procedure, MEP will award firm capacity based on the highest economic value, as defined in this Section 2.1(c).

(1) HIGHEST ECONOMIC VALUE

The highest economic value is the highest net present value of the stream of incremental revenue produced in the aggregate by a valid bid or request, or combination of valid bids or requests, received by MEP for firm capacity which is consistent with the reserve price where one has been established; provided however, that such revenue shall not include revenue associated with

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Leased Capacity. Incremental revenue is the additional revenue MEP would collect from a Shipper under any bid or request over and above the revenue MEP would otherwise have received after taking into account any revenue lost or affected by the bid or request (i.e., where an existing capacity holder submits a bid or request which is contingent upon turnback by that existing capacity holder of an existing capacity commitment, only the value of such a bid or request net of the revenue which would be lost to MEP due to the turnback of the existing contractual commitment will be considered).

(2) ONLY GUARANTEED REVENUE CONSIDERED

In the determination of highest economic value, MEP shall consider only reservation charge revenue and any other guaranteed revenue under bids or requests which meet any applicable reserve price, excluding revenue associated with Leased Capacity. In the case of a bid or request for firm service involving a Negotiated Rate or Negotiated Rate Formula, the rules for calculating net present value set out in Section 30 of these General Terms and Conditions shall apply.

(3) POSTING OF CRITERIA

MEP shall post the criteria to be used in the determination of highest economic value for comparing valid bids in any open season and for comparing pending requests which are valid and competing. The posting will consist of a net present value formula, together with all relevant factors and parameters. The discount rate to be utilized in the NPV formula shall be the FERC approved interest rate. These criteria shall be posted continuously on the Informational Postings portion of MEP's Interactive Website. MEP may change the criteria at any time in a manner not inconsistent with the other provisions of this Section 2.1(c), but the revised criteria may only be applied to an open season the posting of which commenced at least one (1) Business Day after the change in criteria has been posted. MEP cannot change the criteria for any on-going open season. The revised criteria shall apply immediately to all requests received after the change has been posted. In addition, the posting for each individual open season will include the following elements: the date

to which all bids are discounted in the calculation of net present value; the FERC interest rate utilized; how a Shipper's willingness or unwillingness to prorate will affect its bid; whether a prearranged transaction is involved and, if so, whether there is a right to match; the extent to which advance payments will be considered in evaluating bids; how surcharges will be taken into account; and the procedure to be used in breaking ties.

(4) OBLIGATION TO AWARD CAPACITY

(i) MEP shall be obligated to award firm capacity if the applicable maximum rate is submitted for the entire term of a valid bid in any open season or is requested for the entire term of a valid request under the Request Procedure, up to the firm capacity covered by the maximum rate bid(s) or request(s), without regard to any reserve price. If such a maximum rate bid or request is received, MEP shall be obligated to award the capacity either to the Shipper submitting such a valid bid or request or to a competing bidder or requestor. The capacity award will be based on the posted criteria hereunder for evaluating bids or requests.

(ii) MEP shall be obligated to award firm capacity if the reserve price is met in a valid bid for the capacity being posted for open season, up to the firm capacity covered by the bid(s) meeting the reserve price. The capacity awards will be based on application of the posted criteria.

(iii) Notwithstanding the foregoing, MEP may, but shall not be obligated to, award firm capacity based on the following types of otherwise valid bids or requests: (a) any bid or request for a term of less than one Year, under which service is to commence more than ninety (90) days following close of the open season; and (b) any bid or request for a term which is not continuous from the commencement of service date to the termination of service date reflected in the bid and/or which specifies different MDQs for various time periods.

(5) RESERVE PRICE MATRIX

In an Initial Open Season, MEP shall establish a reserve price or reserve price matrix. MEP may, but is not required to, establish a reserve price or reserve price matrix in an Additional Open Season.

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(i) A reserve price defines the minimum price(s) at which MEP will award the firm capacity covered by the open season, which price(s) must be equal to or less than the applicable maximum rate(s). MEP is not obligated to award capacity at less than the applicable maximum rate unless a lower rate is set out in the reserve price matrix. In determining whether a reserve price has been met by any bid, MEP will compare the net present value of the requested prices in the bid with the net present value of the applicable reserve price(s). If the reserve price is met, MEP will award firm capacity to valid bids consistent with the posted bid evaluation criteria and this Section 2.1(c).

(ii) Reserve prices in a reserve price matrix may vary by relevant elements, including but not limited to term, service type, Receipt Points, Delivery Points and markets. Differences in "markets", as that term is used in the prior sentence, shall refer to differences relating to any of the following: (A) defined geographical areas, where the value of MEP's services may vary among such geographical areas due to current or projected differences in competitive alternatives, regulation, or operational, supply or capacity factors; (B) customers, where the value of MEP's services may vary by customer due to current or projected differences in competitive alternatives available to them or their demand characteristics (including access to alternative fuels); (C) contract time periods, where the value of MEP's services may vary due to current or projected differences in competitive alternatives or market demand at or over different contract time periods (for example, winter season versus multi-Year); (D) products and services, where the value of MEP's product and service offerings may vary due to current or projected differences in competitive alternatives or market demand (provided that this is not intended to tie separate services together for bidding purposes); or (E) volumes, where the value of MEP's services may vary due to current or projected differences in competitive alternatives, market demand or other factors related to contract volume levels. The reserve price matrix in an open season may include multiple terms, from one Month or less to multi-Year, and shall indicate if firm capacity is only available for a limited time due to operational or physical constraints or due to the contractual commitment of such capacity in the future.

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(iii) Unless MEP elects to post the reserve price as part of the posting of an open season, MEP shall provide the reserve price or reserve price matrix to an independent third party before the posting of an open season. A bidder in an open season may request the reserve price or reserve price matrix applicable to that open season at any time after the close of the open season and MEP will provide such information to the requesting bidder within one Business Day after MEP receives the request.

(d) POINT CHANGES

Any Shipper with an FTS Agreement may request a permanent change in primary Point not involving Leased Capacity at any time. MEP will respond to such a request within two (2) Business Days. MEP shall grant such a request if firm transportation and point capacity is available to do so; provided that the parties can mutually agree on the rate unless the applicable FTS Agreement or related discount or Negotiated Rate or Negotiated Rate Formula agreement specifies the rate when there is such a permanent primary point change. Unless otherwise specifically agreed, if the Point change results in a shortened path which would reduce the applicable rate, the reservation rate applicable to the longer path shall apply for the remaining term of the Agreement, but the commodity rate applicable to the shortened path shall apply so long as the shortened path is in effect under the Agreement; provided, however, the Fuel Gas for the path utilized shall apply. Any such permanent point change shall be reflected in an amendment to the FTS Agreement. Any change in primary receipt points on the Leased Capacity is subject to the Agreement of Enogex and MEP.

2.2 REDUCTIONS IN FIRM SERVICES

(a) While firm services are not ordinarily interrupted due to lack of capacity, capacity constraints may exist from time to time or interruption of service may be necessary for certain other reasons. MEP may decline to schedule and/or may curtail firm service for any of the following reasons:

(1) If Shipper tenders Gas which does not conform to the applicable quality requirements under Section 19 of these General Terms and Conditions;

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(2) For reasons of Force Majeure;

(3) Pursuant to Sections 2.7 or 2.8 of these General Terms and Conditions;

(4) To rectify imbalances, to conform physical flows to nominations or to effectuate payback of imbalances, to the extent consistent with the specific Rate Schedule;

(5) If there is a dispute over title, ownership or right to tender or to receive Gas.

(b) Without limitation to the foregoing, unless otherwise agreed by contract, MEP shall have the right to reduce receipts or deliveries of Gas on any Day below Shipper's MDQ to permit maintenance, repair, overhaul, replacement, or construction of pipelines, compressors, metering, regulating, or other transmission facilities and equipment, or to maintain System integrity; provided, however, that with respect to routine repair and maintenance, MEP will attempt to schedule such activity during a period when it will not result in curtailment to firm services, or when such curtailment will be minimized, after consulting with the Shippers which could be affected.

(c) No later than fifteen days prior to the scheduled activity (or, in the case of Leased Capacity, no later than one day after MEP receives notification from Enogex), MEP will post on the Informational Postings portion of its Interactive Website a tentative schedule of planned maintenance, construction, test, rehabilitation or repair activities to be performed which MEP anticipates may cause it to fail to tender delivery of Shipper's scheduled quantities of Gas. The schedule will include the dates the activities are scheduled to begin and end as well as the portions of the System and capacity expected to be affected. MEP will endeavor to perform the activities in accordance with the posted schedule.

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(d) (1) As used in this subsection (d), Firm Daily Volume shall mean the volume of gas which MEP is obligated to deliver on a firm basis for Shipper at primary Delivery Point(s) under a firm contract on a Day, based on nominations for firm service within firm contract rights at such primary points which could be confirmed. Except as provided in subsection (d)(2), in the event MEP fails to deliver on any Day under any firm contract all of Shipper's Firm Daily Volume for that Day, then the applicable Reservation Charges and any related reservation-based surcharges shall be eliminated for the quantity of gas not delivered by MEP within the Shipper's Firm Daily Volume under the contract; provided, however, that these charges shall not be eliminated to the extent that the Shipper uses secondary point service.

(2) MEP shall not be obligated to adjust the Reservation Charge and any related reservation-based surcharges under any contract when MEP's failure to deliver on any Day at least 98% of the Firm Daily Volume:

(i) is the result of the conduct of Shipper or the downstream operator of the facilities at the Delivery Point; or

(ii) occurs either (a) within ten (10) days following a force majeure event as contemplated by Section 20 of the General Terms and Conditions, or (b) prior to the date MEP has or should have, in the exercise of due diligence, overcome the force Majeure event, whichever occur first.

2.3 SCHEDULING OF SERVICES

(a) For the purposes of scheduling and curtailing deliveries of Gas, firm service shall have priority over interruptible service. Priority to use of capacity on MEP shall be in accordance with the following priority, in descending order from highest to lowest priority:

(1) Firm service at primary points and primary paths (scheduled pro rata based on MDQ);

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(2) Firm service at secondary points (scheduled pro rata based on nominations) within the primary path;

(3) Firm service at secondary points (scheduled pro rata based on nominations) outside the primary path;

(4) Interruptible service within MDQ and Authorized Overrun service under both firm and interruptible rate schedules (allocation of service pursuant to Section 2.5 of these General Terms and Conditions).

(b) In applying steps (2) and (3) under subsection (a), scheduling of Receipt and Delivery points will be pro rated based on nominations; points within the primary path are scheduled before points outside the primary path;

(c) For Shippers under Rate Schedule FTS, MEP shall provide notice of any curtailment or of any scheduling restriction as far in advance as feasible. MEP shall attempt to provide at least two (2) Days' prior notice, unless more timely action is necessary to respond to a Force Majeure situation, to balance the Agreement to the extent consistent with the applicable Rate Schedule, or to maintain System integrity. In addition to notifying the Shippers affected, MEP will post anticipated and effective curtailment and scheduling restrictions on the Informational Posting section of its Interactive Website.

(d) Released capacity has the same priority as non-released capacity;

(e) Firm Intra-Day nominations are entitled to bump scheduled interruptible volumes only during the Evening and Intra-Day 1 Nomination Cycles, as defined in Section 6.2. Firm Intra-Day nominations are not entitled to bump already scheduled firm volumes.

2.4 ZONES AND SECONDARY POINTS

(a) The System consists of two zones, Zone 1 and Zone 2, plus the Leased Capacity, as those terms are defined in Section 1 of these General Terms and Conditions.

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(b) Subject to the priorities set out in Section 2.3 of the General Terms and Conditions, Shippers under Rate Schedule FTS shall have the right to use all Receipt and Delivery Points on MEP's System in either Zone 1 or Zone 2, to the extent the path of the FTS Agreement includes any part of that zone, as secondary Receipt and Delivery Points. Such points may be scheduled, however, only to the extent transmission and point capacity is available. The MDQ at any secondary point shall be equal to the MDQ for the Shipper within the zone. The priority of service at secondary points under Rate Schedule FTS shall be governed by Section 2.3 above. With respect to Leased Capacity, Shippers shall only have secondary point rights at the Points permitted under the Lease with Enogex and only up to the rights at such points under the Lease not utilized by Shippers with firm primary rights at these Points. The Points available are posted on MEP's Interactive Website.

(c) If nominations by all Shippers for secondary point service for which such Shippers are eligible exceed MEP's available capacity on the applicable path, available capacity shall be allocated and scheduled pro rata based on a Shipper's confirmed nominations within MDQ within the applicable priority category as defined in Section 2.3 of these General Terms and Conditions.

(d) The primary Receipt and Delivery Points define the primary path(s) of an FTS Agreement, including the direction of "forward" flow for the primary path(s), and define whether a secondary point is "in path" or "out of path." Shippers may nominate service at secondary points so that the direction of flow is the same as or the opposite ("backhaul") from the primary path direction of flow, but if the direction of flow is opposite the primary path, such nomination shall be treated as being outside the primary path.

(e) Shippers under Rate Schedule ITS have access to all Points on MEP's System to the extent provided in Section 2.5(d) of these General Terms and Conditions. Shippers under Rate Schedules PALS and IBS have access to all Points on MEP's System, except the Points on Leased Capacity, but the Points actually utilized for any specific service will be specified in the Request Order for Rate Schedule PALS and in the IBS Agreement for Rate Schedule IBS.

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2.5 INTERRUPTIBLE RATE SCHEDULES

This Section 2.5 governs the priority of interruptible services under Rate Schedules ITS, PALS and IBS on MEP's System.

(a) Service under Rate Schedules ITS, PALS and IBS shall be provided to the extent capacity is available, if any, after scheduling all of MEP's firm transportation service at primary and/or secondary points. MEP may decline to schedule and/or may curtail interruptible service under Rate Schedules ITS, PALS and IBS for any of the following reasons:

(1) If Shipper tenders Gas which does not conform to the applicable pressure or quality requirements of these General Terms and Conditions;

(2) For reason of Force Majeure;

(3) Due to routine repair and maintenance to be reasonably determined by MEP;

(4) Pursuant to Section 2.8 of these General Terms and Conditions;

(5) To rectify imbalances or to conform physical flows to nominations to the extent consistent with the specific Rate Schedule;

(6) To maintain System integrity;

(b) (1) To the extent there is insufficient capacity available to schedule all properly nominated and confirmed services under Rate Schedules ITS, PALS, IBS and firm Authorized Overrun Service, MEP shall schedule such service based on the rate to be paid, from highest to lowest unit rate, with service for which the highest unit rate being paid is scheduled first; provided however, MEP shall permit a Shipper nominating such interruptible services to increase its rate during the Timely Nomination Cycle only, as defined in Section 6.2(a) of the GT&C hereof. This right shall also apply to firm Shippers' authorized overrun volumes. Any Shipper paying the maximum rate applicable to its service (or revenue equal to or greater than the applicable maximum rate pursuant to a Negotiated

Rate or Negotiated Rate Formula) shall be afforded highest priority even if a Shipper which has agreed to a Negotiated Rate or Negotiated Rate Formula is paying a higher unit rate. In the event there is insufficient capacity to schedule all Rate Schedules ITS, PALS and IBS services, and authorized overrun services, for which the same rate is to be paid, MEP shall allocate the available capacity pro rata based on the confirmed nominated volume.

(2) In interrupting or curtailing service under Rate Schedules ITS, PALS and IBS or firm transportation authorized overrun due to lack of capacity, MEP shall [except as otherwise provided in subsection (c) below] interrupt such service based on the rate being paid, from lowest to highest unit rate, with service for which the lowest unit rate being paid is interrupted first. Any Shipper paying the maximum rate applicable to its service (or revenue equal to or greater than the applicable maximum rate pursuant to a Negotiated Rate or Negotiated Rate Formula) shall be afforded highest priority even if a Shipper which has agreed to a Negotiated Rate or Negotiated Rate Formula is paying a higher unit rate. In the event there is insufficient capacity to continue all Rate Schedule ITS, PALS and IBS service for which the same rate is being paid, MEP shall allocate the available capacity pro rata based on the confirmed nomination volume.

(c) This subsection discusses Rate Schedules IBS and PALS curtailment rules for Rate Schedules IBS and PALS:

(1) Service under Rate Schedule IBS shall be scheduled and curtailed based on MEP's System operational capability, on resources provided by Third Party Imbalance Management Agreements and on offsetting Access Requests on the relevant portions of MEP's System. Service shall not be provided under Rate Schedule IBS, and service pursuant to a confirmed Access Request under Rate Schedule IBS shall be interrupted, if such service would be detrimental to MEP's ability to provide primary firm service or secondary point service.

(2) If providing service under any IBS Agreement would have an adverse effect on providing any other interruptible service, the IBS Agreement shall, for scheduling and balancing purposes, be assigned the priority of the transportation Agreement to which the IBS Agreement is linked, with overrun volumes being assigned priority on the same basis as overrun volumes under the linked transportation Agreement.

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(3) In the event MEP can provide some service under Rate Schedule IBS on any portion of its System but that its capability on any Day is insufficient to schedule all Access Requests under Rate Schedule IBS, first priority for scheduling and curtailment purposes shall be granted to Access Requests which are linked to a firm transportation Agreement (if allocation within this class is required, allocation shall be pro rata based on MDQ). If sufficient capability is available to serve some but not all Access Requests under IBS Agreements linked to interruptible transportation Agreements, service under Rate Schedule IBS shall be allocated based on the price paid under the linked interruptible transportation Agreement.

(4) Service under Rate Schedule PALS shall not be scheduled if doing so would have an adverse effect on any firm or secondary point service. Service under Rate Schedule PALS shall be scheduled and curtailed based on MEP's system operational and System operational capability. Service hereunder shall be interrupted and curtailed if continuation of such service would be detrimental to MEP's ability to provide any firm service or any secondary point service. While service hereunder is not ordinarily expected to affect transportation capacity, if providing service hereunder would have an adverse effect on providing interruptible transportation service, a PALS Agreement shall for scheduling and allocation purposes be assigned the same priority as service under Rate Schedule ITS. The same priority shall be applied for scheduling and allocation in relation to service under Rate Schedule IBS or other PALS Agreements. Once a park or loan has been scheduled on any day under Rate Schedule PALS, that park or loan shall not be interrupted or curtailed to effectuate any other interruptible service, except for secondary point service.

(d) An ITS Agreement shall specify whether it covers Zone 1, Zone 2 or both zones. An Agreement under Rate Schedule ITS will include all Receipt and all Delivery Points within the zone(s) covered. With respect to Leased Capacity, Shippers shall only have rights at the Receipt and Delivery Points permitted under the Lease with Enogex. Applicable maximum rates are specified in this Tariff by zone. With respect to Interim Period Service, a Shipper under an ITS Agreement will have all points on the portion of Zone 1 which is in service.

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2.6 UNAUTHORIZED GAS

No Shipper shall have any right to take Unauthorized Gas at any Point. Unauthorized Gas is subject to the charges set out in Section 9.2 of these General Terms and Conditions. To the extent MEP is unable to accept Unauthorized Gas without jeopardizing the safety of MEP's operations and/or its ability to meet its contractual obligations to other Shippers, such decisions to be solely within the judgment and discretion of MEP, MEP shall have the right to limit deliveries at the Point, curtail receipts of Gas at Receipt Points and/or to vent, without incurring any liability to Shipper, or any third party, such Unauthorized Gas as it is unable to accept and/or transport or take such other action as is necessary to manage the System. However, MEP shall use its best efforts to avoid or minimize such venting. If feasible, MEP will give prior notice to a Shipper before venting its Gas, but is not required to do so if operational considerations necessitate immediate venting. Volumes at Delivery Points which can be accommodated under an OBA shall not be considered Unauthorized Gas.

2.7 OTHER FACTORS

MEP's service obligation hereunder shall be subject to Shipper providing nominations under Section 6 of these General Terms and Conditions, to the confirmation of nominations by upstream and downstream entities and to the circumstances identified in Section 2.2(d)(2) of these General Terms and Conditions.

2.8 DELINQUENCY IN PAYMENT

(a) Irrespective of any otherwise applicable priority, MEP may suspend service to any Shipper which is delinquent in payments under any Agreement, subject to the following conditions:

(1) MEP shall give Shipper written notice of the delinquency and of MEP's intent to suspend service if the deficiency is not cured. If the delinquency is not remedied within ten (10) days of such notice, MEP may suspend service. MEP shall simultaneously provide written notice to the Commission of any such suspension.

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(2) If a Shipper which has been deficient in payment hereunder is again deficient in payment within six (6) Months after the prior deficiency, then MEP may suspend service to such Shipper within five (5) Business Days after providing notice hereunder unless Shipper remedies the deficiency within that time period.

(3) A Shipper shall not be obligated to pay any reservation or demand charges for suspended service attributable to the period when that service is suspended.

(b) In addition to suspension, MEP may terminate service if the Shipper fails to remedy a delinquency in payment. Any such termination requires thirty (30) days' prior notice to Shipper and to the Commission. To avoid termination, the Shipper must remedy the deficiency within this notice period. Such notice may be given simultaneously with the initial notice under Section 2.8(a)(1) of these General Terms and Conditions.

(c) In the event of a good faith billing dispute, withholding of payment for the amount in dispute by Shipper shall not be considered a delinquency in payment, consistent with Section 11 of these General Terms and Conditions, and will not result in suspension or termination of service.

(d) MEP may not take any action under this Section 2.8 which conflicts with any order of the U.S. Bankruptcy Court.

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3. RECEIPT POINTS

3.1 FACILITIES AT RECEIPT POINTS

Unless otherwise agreed by MEP, MEP shall own, operate and maintain all pipeline and measurement facilities necessary to receive and measure Gas hereunder. In the event any such facilities are installed by MEP, Section 5 of these General Terms and Conditions shall apply.

3.2 OBLIGATION

Except as otherwise provided in this Tariff, MEP's maximum obligation to receive Gas at a Receipt Point under an FTS Agreement shall not exceed the lesser of: (a) the applicable Point MDQ at that Receipt Point (plus applicable Fuel Gas and Unaccounted For Gas) as specified in the Agreement or as applicable at such Receipt Point under this Tariff; or (b) the total daily volume Shipper or its designee is able and willing to tender at the Receipt Point.

3.3 LOCATION

Unless otherwise described in the Agreement, the Receipt Point(s) for transportation Agreements shall be located at the interconnection between the facilities of Shipper, or its designee, and the facilities of MEP.

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4. DELIVERY OF GAS FOR THE ACCOUNT OF SHIPPER

4.1 DELIVERY VOLUMES

Commencing on the date of first acceptance by MEP of Gas delivered by or on behalf of Shipper at the Receipt Point(s) pursuant to a transportation Agreement, and continuing thereafter during the term of that Agreement, MEP shall deliver Equivalent Volumes, or cause Equivalent Volumes to be delivered to Shipper, or to a mutually agreeable third party for Shipper's account, at the Delivery Point(s) described in the Agreement or applicable to the Agreement under this Tariff. In determining Equivalent Volumes, MEP shall retain Gas in kind for Fuel Gas and Unaccounted For Gas as set out in Section 36 of the General Terms and Conditions of this Tariff.

4.2 DELIVERY FACILITIES

Unless otherwise agreed by MEP, MEP shall own, operate and maintain all pipeline and measurement facilities necessary to deliver and measure Gas hereunder. In the event any such facilities are installed by MEP, Section 5 of these General Terms and Conditions shall apply.

4.3 OBLIGATION

Except as otherwise provided in this Tariff, MEP's maximum obligation to deliver Gas at a Delivery Point under an Agreement shall not exceed the lesser of: (a) the applicable Point MDQ at that Delivery Point as specified in the Agreement or as applicable to that Delivery Point under this Tariff; or (b) the total daily volume Shipper or its designee is willing and able to receive at the Delivery Point.

4.4 LOCATION

Unless otherwise described in an Agreement, the Delivery Point(s) for transportation Agreements shall be located at the interconnection between the facilities of Shipper or its designee, and the facilities of MEP.

4.5 DELIVERY CONDITIONS

Delivery conditions are set out in Section 18 of these General Terms and Conditions.

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5. NEW FACILITIES CHARGE

5.1 (a) With respect to new or expanded interconnection facilities only (not including Preapproved Capacity facilities or other facilities as agreed upon with Foundation Shippers), when such new and/or expanded facilities are required to accommodate receipt and/or delivery of Gas under a request for new or revised service, and MEP determines that installation of such facilities will not impair service to any existing Shipper or threaten the integrity of MEP's System, MEP will construct such facilities but, unless otherwise provided by contract, MEP shall require the requesting Shipper to pay as the CIAC as defined in Section 1.9 of these General Terms and Conditions, except that MEP will pay the cost of such facilities when the criteria set forth in Section 5.2 are satisfied.

5.2 Notwithstanding Section 5.1, MEP may, but is not obligated to, pay all or a portion of the cost of new or expanded interconnection facilities; provided, however, that any agreement by MEP to bear such costs must be on a basis which is not unduly discriminatory.

5.3 Unless otherwise provided by contract, when MEP has previously paid for Receipt or Delivery Point facilities under this facilities reimbursement policy, the requesting Shipper shall, nevertheless, promptly pay MEP for MEP's net book value of such facilities when either of the following events occurs: (a) when MEP's ability to fully recover such costs is denied in any rate proceeding under Section 4 or Section 5 of the Natural Gas Act; or (b) when Shipper ceases operations at the facilities.

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6. NOMINATION/REPORTING, BALANCING AND SEGMENTATION

6.1 GENERAL

(a) MEP provides personnel available to handle nominations seven (7) Days a week, twenty-four (24) hours a Day. Whenever Shipper desires service, Shipper shall furnish to MEP a separate nomination for each nominated Point under each Agreement with a beginning and end date for flow which can be for any duration within the term of the applicable Agreement; provided, however, any such nomination shall not be binding to the extent Shipper submits subsequent nomination(s). 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 that 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.

(b) For non-Intra-Day Nominations, a rollover option is available such that a Shipper shall have the ability to nominate for several Days, Months, or Years, provided the nomination begin and end dates are within the term of the Shipper's contract. All nominations should be based on a Daily quantity and all volumes shall be expressed in Dth per Day and shall be stated for each Point.

(c) If an upstream or downstream party requires additional information, if the volumes transported are subject to a discounted rate, or if additional information is otherwise required by MEP, then, upon notification by MEP, Shipper must include in each nomination such additional information as is specified by MEP. Nominations must be submitted to MEP through MEP's Interactive Website, or such other electronic means as are mutually agreed upon by MEP and Shipper. The sending party should adhere to nomination, confirmation and scheduling deadlines. The receiving party may waive any submittal deadline in this Section 6.

(d) Nominations may include payback volumes as provided in Rate Schedules IBS and PALS.

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(e) The standard quantity for nominations, confirmation and scheduling is dekatherms per Day in the United States, gigajoules per Day in Canada and gigacalories per Day in Mexico. (For reference, 1 dekatherm = 1,000,000 Btus; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units. The International Btu is specified for use in the Gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 gigajoules per dekatherm.

6.2 STANDARD NOMINATION CYCLES

MEP supports the following standard nomination cycles:

(a) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nomination party; 11:45 a.m. for receipt of nominations by MEP; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by MEP from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and point operator (central clock time on the Day prior to flow).

(b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by MEP; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by MEP from upstream and downstream connected parties; 10:00 p.m. for MEP to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Day prior to flow).

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Scheduled quantities resulting from an Evening Nomination that does not cause another Shipper on MEP to receive notice that it is being bumped should be effective at 9:00 a.m. on the Day; and when an Evening Nomination causes another Shipper on MEP to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the Day.

(c) The Intra-Day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by MEP; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by MEP from upstream and downstream connected parties; 2:00 p.m. for MEP to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Day). Scheduled quantities resulting from Intra-Day 1 Nominations should be effective at 5:00 p.m. on the Day.

(d) The Intra-Day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by MEP; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by MEP from upstream and downstream connected parties; 9:00 p.m. for MEP to provide scheduled quantities to affected Shippers and point operators (central clock time on the Day). Scheduled quantities resulting from Intra-Day 2 Nominations should be effective at 9:00 p.m. on the Day. Bumping is not allowed during the Intra-Day 2 Nomination Cycle.

(e) For purposes of Section 6.2 (b), (c), and (d), "provide" shall mean, for transmittals via MEP's Interactive Website or EDI, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

(f) The rights of a Releasing Shipper to recall capacity within any nomination cycle shall be governed by Section 14.14 of these General Terms and Conditions.

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(g) A Shipper which has been awarded firm capacity in a capacity release may submit a nomination using such capacity at the next available opportunity for nominations under this Section 6.2 which occurs on or after the time capacity is awarded, including an Intra-Day nomination in either the Intra-Day 1 or the Intra-Day 2 Nomination Cycle, and which is consistent with Section 14.9(d) of these General Terms and Conditions.

6.3 REQUIRED NOMINATION CHANGES

If estimated Daily flows under a particular Agreement differ from the confirmed nominations, or if an imbalance has occurred due to some other reason, then prospective nomination change(s) (either receipt or delivery adjustments) may be required to bring the volumes into balance. When a Shipper receives notification of a required change in the nomination, the Shipper shall be responsible for informing upstream and downstream parties of the prospective change and providing MEP with a nomination as required in accordance with Section 6.2 hereof.

6.4 CONFIRMATION BY MEP

(a) Nominations made in accordance with Sections 6.2, 6.3, and 6.5 hereof shall not become effective until MEP has confirmed the nominated receipts and deliveries with upstream and downstream parties, subject to other provisions of this Section 6. Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues, if requested by MEP and, if requested by MEP, the appropriate person(s) to confirm nominations. Confirmations must be submitted to MEP through its Interactive Website, or such other electronic means as are mutually agreed upon by MEP and Shipper.

(b) Subject to Section 6.2 and the other provisions of this Tariff, MEP shall provide Shippers and point operators via its Interactive Website, or by EDI, the quantities that have been scheduled to flow for that Shipper and point operator on the next Day.

(c) Unless otherwise provided in an Operational Flow Order, default confirmation procedures are as follows:

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(i) With respect to the timely nomination/ confirmation process at any Point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will 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 will be the new confirmed quantity.

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

(iii) With respect to the processing of requests for decreases during the Intra-Day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will 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 will be the new confirmed quantity. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intra-Day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

(iv) With respect to Sections 6.4(c)(i), (ii), and (iii), if there is no response to a Request For Confirmation or an unsolicited Confirmation Response, MEP will provide the Shipper 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.

6.5 INTRA-DAY NOMINATIONS

(a) An Intra-Day nomination is a nomination submitted after the Timely Nomination Cycle, defined at Section 6.2(a), whose effective time is no earlier than the beginning of the Day and which runs through the end of that Day.

(b) MEP supports the nomination cycles set forth at Section 6.2 during non-Critical Times. During Critical Times, valid Intra-Day nominations may be submitted at any time.

(c) MEP will provide notification of bumped volumes through the Scheduled Quantity document, as posted on MEP's Interactive Website, and telephone or telefax consistent with Sections 13 and 22 of the General Terms and Conditions of this Tariff and through Electronic Notice Delivery consistent with NAESB Standards as adopted in Section 29 of these General Terms and Conditions. Except during a Critical Time, MEP will waive any daily penalties applicable to bumped volumes on the day of the bump. MEP will also waive penalties if it fails to provide appropriate notice of the bump.

(d) For services that provide for Intra-Day nominations and scheduling, there is no limitation as to the number of Intra-Day nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

(e) Revised predetermined allocations are to be submitted consistent with Section 7 of these General Terms and Conditions.

(f) Unless MEP agrees to the contrary, the revised nomination under an Intra-Day Nomination may be limited by Section 6.4(c). MEP and the interconnecting party will agree on the hourly flows of the Intra-Day Nomination.

(g) An Intra-Day nomination is only effective for a single Day. There is no need to re-nominate if the Intra-Day nomination is intended to modify the existing nomination. The Shipper should submit a new timely nomination if the Shipper wants to replace the previously submitted standing nomination or commence service for the next Gas Day.

(h) Intra-Day nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled Gas.

6.6 END-OF-GAS-DAY SCHEDULED QUANTITY DOCUMENT

At the end of each Day, MEP will provide the final scheduled quantities for the just completed Day. MEP will send an End of Gas Day Scheduled Quantity document. 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.

6.7 OVERRUN QUANTITIES

Shippers submitting nominations via Interactive Website or EDI for transportation of overrun volumes (volumes in excess of the MDQ) may either include such overrun volumes in their nominations for volumes within MDQ, or may submit separate nominations for such overrun volumes. If the Shipper elects to submit a separate nomination, the Shipper should mark that nomination as being for overrun volumes.

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6.8 DELEGATION

A Shipper may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any Agreement, and an entity which controls a point of interconnection with MEP may delegate to any third party responsibility for administering agreements regarding allocation of Gas volumes at the point and/or for administering any point operator agreement, subject to the following conditions:

(a) Any designation of such a representative, and any change in such designation, must be in writing and must be submitted at least two (2) Business Days prior to the requested effective date.

(b) The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that MEP may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.

(c) MEP may rely on communications from the designated representative of a Shipper or interconnecting entity for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 6.8(b). Communications by MEP to such designated representative shall be deemed notice to Shipper or the interconnecting entity except to the extent the representative's authority is explicitly limited with respect to the receipt of notice under the procedure set out in said Section 6.8(b).

(d) Any third party may administer multiple transportation Agreements as the designated representative for one or more Shippers and/or interconnecting entities. However, such representative shall separately administer and account for each such Agreement.

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6.9 TRANSFER NOMINATIONS

(a) Whenever Gas is purchased at a Receipt Point on MEP's System by an entity that is not going to nominate that Gas for receipt by MEP under a transportation Agreement, that entity must submit a transfer nomination to MEP through its Interactive Website (or EDI), identifying the quantities (in Dth) and the entities from whom the Gas is being bought and the entities to whom the Gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations, subject to Section 6.2. In addition to the transfer nomination, the purchasing entity must submit a predetermined allocation in accordance with Section 7 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's Gas.

(b) A third party may provide title tracking services on MEP's system as follows:

(1) The entity seeking to provide such a service (Third Party Account Administrator) shall so notify MEP in writing, in which event MEP shall establish an identification number for nominations involving the Third Party Account Administrator.

(2) Transfer nominations consistent with this Section 6.9 must be made by the Shipper tendering Gas for delivery to the Third Party Account Administrator, where subsequent title to such Gas is to be tracked by the Third Party Account Administrator; and

(3) The Third Party Account Administrator shall maintain records of any title transfers after delivery of Gas to it and shall submit a nomination consistent with this Section 6.9 for delivery of Gas to the last party in the chain of title, which party shall also submit a nomination for receipt of the Gas consistent with this Section 6.9.

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6.10 NOMINATION PRIORITIES

As part of the nomination and transfer nomination process, if there is more than one supply source nominated to be delivered to a single Delivery Point or buyer, the nomination or transfer nomination must identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination or transfer nomination must identify which delivery should be cut in the event Gas is not or cannot be received as nominated (i.e., ranking). Ranking is to be included in the list of data elements. MEP is to use Shipper provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.

6.11 OPERATIONAL BALANCING

MEP agrees that it will negotiate with each entity that operates facilities interconnecting with MEP at Delivery Points (Balance Operator) in a good faith effort to reach an agreement to deal with imbalances at such Delivery Point(s) (at Receipt Points, MEP may rely on PDAs under Section 7 of these General Terms and Conditions), which OBA Agreement would be a form of a Predetermined Allocation, subject to the following conditions:

(a) Such agreement must set out a mutually agreeable procedure for dealing at the Delivery Point(s), as between MEP and Balance Operator, with any difference between confirmed nominations and actual physical Gas flow caused by operational conditions; such an agreement may include imbalances charges and penalties, and/or limitations on the volume of imbalance which may be accommodated, but MEP is not obligated to agree to include any provisions for cashout of imbalances;

(b) The Balance Operator must meet the same creditworthiness standards as Shipper;

(c) MEP and Balance Operator must not have previously entered into such agreement which was terminated because of Balance Operator's failure to perform. Nothing herein is intended to restrict MEP's right to terminate in accordance with its terms any agreement entered into hereunder, including without limitation the right to terminate for Balance Operator's failure to perform consistent with its obligations under the agreement.

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6.12 POOLING POINTS FOR DELIVERIES

(a) One Pooling Point has been designated each for Zone 1 and for Zone 2. These points are not physical points on the MEP System, but are paper points used for aggregation and nomination purposes and to provide pooling services, consistent with this Section 6.12. Subject to the remainder of this Section 6.12, any number and type of Agreements may be utilized to deliver Gas to or take Gas away from a Pooling Point. Under FTS agreements, pooling points within each zone are only accessible to firm shippers to the extent capacity is held in such zone, except for contracts with firm capacity rights only in Zone 2, which additionally have access to the Zone 1 Pooling Point as a secondary receipt point. There is no Pooling Point for Leased Capacity.

(b) The Pooling Point in the applicable zone may also be a Receipt Point under either an ITS or FTS Agreement and be used for transportation to Delivery Points, including transportation across zone boundaries as provided in subsection (c) hereof and transportation within a zone. For transportation to a Pooling Point from a Receipt Point within the zone, Shipper will pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel and Unaccounted For Gas. There are no transportation commodity charges or Fuel Gas and Unaccounted For Gas charges applicable to transportation of gas from a Pooling Point to a Delivery Point within the zone.

(c) If Gas is transported from a Pooling Point in the zone of receipt to a Delivery Point, including a Pooling Point, in a zone other than the zone of receipt (New Zone), under either an FTS or an ITS Agreement, Shipper shall pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel, and Unaccounted For Gas for transportation in the New Zone.

(d) Gas may be delivered to a Pooling Point under either an FTS Agreement or an ITS Agreement.

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(e) Nominations to and from Pooling Points will be subject to the same nomination and confirmation procedures as all other receipts and deliveries. For scheduling and curtailment purposes, the priority of service for transportation to or from a Pooling Point is based on the transportation Agreement under which Gas is delivered to the Pooling Point in that zone. For purposes of scheduling and curtailment and segmentation, as set out in subsection (f) below, in the case of Zone 1, the Pooling Point will be deemed to be located at the interconnect between MEP and Columbia Gulf Transmission; and (ii) in the case of Zone 2, the Pooling Point will be deemed to be located at the interconnect between MEP and Transco. All volumes nominated for transportation to a Pooling Point on any Day should be matched using NAESB package IDs or some other means acceptable to MEP, with nominations of those volumes for transportation from the same Pooling Point on the same Day. For any volumes not matched, the priority of service for transportation from the Pooling Point will be interruptible. No imbalances will be permitted at a Pooling Point, but Gas may be parked or loaned at Pooling Points subject to the provisions of Rate Schedule PALS.

(f) An FTS Agreement which is eligible for access to a Pooling Point in a zone pursuant to Section 6.12(d) may be segmented at any point within that zone(s), including the Pooling Point.

(g) Gas may be bought and sold at a Pooling Point, subject to the provisions of this Section 6.12.

(h) Zone Boundary Transfer Point. A Shipper with a contract that has firm capacity rights only in Zone 2 and with a Zone Boundary Transfer Point (that is a primary firm receipt point under such contract) may effectuate the transfer of Gas from Zone 1 to Zone 2 by nominating the Zone 1 Pooling Point (not the Zone Boundary Point) as a receipt point for delivery to Zone 2. Such transactions will only incur applicable charges for transportation in Zone 2 and are, therefore, subject to Section 6.12(c) hereof.

6.13 SEGMENTATION

(a) A Shipper may segment its firm capacity to the extent operationally feasible through the nomination process; provided, however, that no segmentation will be permitted on the Leased Capacity and segmentation involving Pooling Points is subject to Section 6.12. In addition, any Shipper may segment its firm capacity by releasing one or more segments of that capacity (the Releasing Shipper may retain one or more segments of its capacity), to the extent operationally feasible, by following the procedures set out in Section 14 of these General Terms and Conditions; provided, however, that no segmentation will be permitted on the Leased Capacity. In the case of segmentation through release, the Releasing

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Shipper may segment by nomination any portion of the capacity it retains to the extent operationally feasible and the Replacement Shipper may segment by nomination any portion of the capacity it obtains in the release to the extent operationally feasible.

(b) For the purposes of this Section 6.13 and subject to the other provisions hereof, whether segmentation is through nomination or results from the release of firm capacity on a segmented basis, the primary path under an Agreement may be segmented, and segmentation may extend outside the primary path to the extent consistent with this Sections 6.13, except for Leased Capacity, and such segmentation shall be deemed operationally feasible unless:

(1) the segmentation would result in an increase in firm contractual obligation by MEP on any segment or portion of its system (through an overlap of segments); or

(2) the segmentation would result in a forward-haul in a direction opposite to the primary path of the Agreement being segmented [backhauls are addressed in (d) below].

(c) In the event a firm capacity path is segmented under this Section 6.13, each segment shall have access to all secondary points within either zone on MEP's System provided that any portion of the primary path segment is within that zone, except for Pooling Points, access to which is governed by Section 6.12 of these General Terms and Conditions. Any point which is outside the primary path for the segment shall be treated as out-of-path secondary in relation to nominations for that segment. In the case of a segmented release, if nominations result in an overlapping path, through nomination at out-of-path secondary points, overrun charges for volumes in excess of the MDQ under the original Agreement in the area of overlap shall be applied as follows:

(1) if a Shipper is nominating or flowing within the primary path under its segment, overrun shall not apply to that segment so long as such Shipper is within its MDQ on that segment and any overrun shall be assigned to the segment on which Shipper is nominating and flowing outside its path; (ii) if a Shipper is nominating or flowing in excess of its MDQ on a segment under the segmented release, the Shipper shall be assessed overrun based on the

volume in excess of its MDQ; and (iii) where the Shipper on each segment is within its MDQ, but is nominating on a secondary out-of-path basis so as to create an overlap in nominated paths, and aggregate nomination by the Releasing and Replacement Shipper in the area of overlap are in excess of the original contract MDQ, then except as provided in (i) and (ii), overrun charges will be assessed to the Releasing Shipper unless the release specifies that such overrun charges are to be assessed to the Replacement Shipper.

(d) The direction of flow for path segments must be the same direction of flow as for the original path unless MEP agrees otherwise or unless such a change in direction of flow is consistent with the Agreement. A Shipper may segment a backhaul if such backhaul can be nominated and scheduled on any day on MEP's system. However, if Shipper desires assurance that it may segment a backhaul transaction for a longer period (beyond the current Gas Day), such segmentation shall be subject to review by MEP on a case-by-case basis as to whether a backhaul on each resulting segment is operationally feasible. The Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path; however, such a nomination will be treated as being secondary outside of the path. Subject to the availability of point capacity and to ordinary nomination procedures, deliveries may be made at the same point for a forward haul on the upstream segment and a backhaul of the downstream segment and such nominations will not create a Point overrun so long as nominations in either direction do not exceed the MDQ. The forward haul will have priority at the Point if the Point capacity is not adequate. At the point of segmentation, deliveries may be nominated on the upstream segment up to MDQ and receipts may be nominated on the downstream segment up to MDQ, subject to constraints on Point capacity and ordinary scheduling procedures and priorities.

(e) (1) Subject to the remainder of this subsection 6.13(e), the Releasing and Replacement Shipper involved in a segmented release may each choose primary Receipt Points and primary Delivery Points equal to their respective contract MDQs after the release; provided, however, that the primary Points chosen are not on the Leased Capacity and that the resulting segments may not overlap in a way that exceeds the MDQ of the original contract on a segment. If the points chosen are within the path of the original Agreement and do not involve changing a primary point thereunder, the point designations shall be accepted, subject only to the availability of firm capacity at those points and agreement on the rate applicable at

the new primary points. If one or more points are within the applicable zone but outside the path of the original Agreement, then MEP's generally applicable point change procedures in Section 2.1(d) of these General Terms and Conditions and the provisions of subsection 6.13(e)(2) shall apply. Any primary point established under this subsection 6.13(e) which was not a primary point under the original Agreement and is not reflected in a point change which affects the original Agreement, will have the same priority and rights as any other primary point, but shall be a primary point only until the term of the release ends or until that primary point is changed by Shipper pursuant to the provisions of this Tariff, as applicable. Such an additional primary point may not be designated if a Shipper is releasing to itself. If firm capacity is not available at the point or to the point, the Shipper may designate such points (not overlapping with other segments) in defining a segment, but the points shall have secondary point priority (either in-path or out-of-path, as applicable).

(2) A Shipper, a Replacement Shipper or a Subreplacement Shipper may change the primary Receipt or Delivery Point(s) listed in the Agreement to new primary point(s) subject to the point change provisions of Section 2.1(d) of these General Terms and Conditions, if the Shipper (or in the case of a release, the Original Shipper) and MEP agree to amend the Agreement to change the primary Receipt and Delivery Point(s) accordingly; provided, however, that the consent of the Original Shipper shall not be required in the case of a permanent release by that Original Shipper of its firm capacity. MEP shall not be obligated to reserve firm capacity to reinstate the former primary point(s) upon expiration of the segmentation or the capacity release.

(3) Where a Replacement Shipper selects a primary point which is outside the primary path under the Releasing Shipper's contract (and thus creates a new primary path at least partially outside the original primary path), any recall by the Releasing Shipper will be of capacity which contains the changed primary points, not the Releasing Shipper's original primary points.

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7. DETERMINATION OF DAILY RECEIPTS

7.1 To the extent feasible, all volumes received by MEP at a Receipt Point shall be allocated in accordance with the confirmed nominations for that point. In the event the actual volumes received by MEP do not equal the confirmed nominations for that point, any underage or overage will be allocated as follows:

(a) First, in accordance with the effective predetermined allocations (PDAs) submitted by those entities (Allocators) owning or controlling the Gas being delivered to MEP. An OBA may be one type of a PDA. Shipper agrees that such an allocation is binding on Shipper.

(b) Then, if there is no effective PDA, pro rata to the extent applicable based on confirmed nominations or transfer nominations, as applicable. Shipper agrees that such an allocation is binding on Shipper.

7.2 The upstream or downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before the start of the Day, except that no other PDAs need be submitted if an OBA is in effect at a point. Unless otherwise agreed, all PDAs must be submitted to MEP through MEP's Interactive Website or through EDI before the start of the Day the PDA is to be effective. Such PDA shall specify how any underage or overage from the confirmed nominated volumes should be allocated among the entities listed on the PDA. MEP shall acknowledge receipt and acceptance of the PDA through MEP's Interactive Website or EDI if received through MEP's Interactive Website or via EDI if received via EDI. Such notification of acknowledgment and acceptance will be within fifteen (15) minutes of receipt via MEP's Interactive Website if received via MEP's Interactive Website or via EDI if received via EDI. MEP's acceptance is contingent on MEP being able to administer the allocation submitted by the Allocator. Allocation methodology types upon which parties may agree are: ranked, pro rata, percentages, swing and operator provided value. Other examples of allocation methods which can be used are matching of supply sources with specified customers, and combinations of methodology types. Different methods may be submitted for overages or underages. If the parties cannot agree, Section 7.1(b) shall apply.

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7.3 A PDA will be effective as of the date specified thereon (which may not be earlier than the date on which the PDA is submitted to MEP unless otherwise agreed) and will continue in effect through the end of the Month unless the Allocator submits a new PDA that is accepted by MEP. PDAs may be submitted to MEP on any Business Day or Days during the Month and should be submitted if necessary to reflect any changes in the Shippers or the allocation method at the point.

7.4 Allocators who submit PDAs should include the operator of the upstream facilities, the shippers or producers/owners of the Gas being delivered by the upstream entity, buyers of the Gas who are in turn selling the Gas at that point, and Shippers who are using more than one transportation Agreement at that point.

7.5 After the end of each Month, MEP shall provide via MEP's Interactive Website each Allocator who submits effective PDA(s) with a Monthly allocation statement showing the volumes allocated in accordance with such PDA(s).

7.6 MEP may rely conclusively on effective PDAs in allocating the Gas received at a point. No retroactive changes to the PDA or to any allocation under a PDA may be made unless MEP and all affected parties agree.

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8. DETERMINATION OF DELIVERIES

8.1 PREDETERMINED ALLOCATIONS

In accounting for the volumes delivered by MEP, in circumstances where multiple services are provided at any Delivery Point, the sequence of volumes delivered shall be determined by a predetermined allocation agreement (PDA) between MEP and the operator of the facilities immediately downstream of the point at which MEP delivers Gas. An OBA may be one form of a PDA. The upstream or downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before the start of the Day. In the absence of such an agreement, Section 8.2 shall control. Any new or proposed change to the methodology should be sent to MEP before the start of the Day on which the methodology is to be effective. Unless otherwise agreed, MEP shall confirm receipt of the methodology within fifteen (15) minutes via MEP's Interactive Website if received via MEP's Interactive Website or via EDI if received via EDI. MEP's acceptance is contingent on MEP being able to administer the allocation submitted by the Allocator. Allocation methodology types upon which two parties may agree are: ranked, pro rata, percentages, swing and operator provided value. Other examples of allocation methods that can be used are combinations of methodology types. Different methods may be submitted for overages and underages. No retroactive change to the PDA or to any allocation under a PDA shall be made unless MEP and all affected parties agree.

8.2 DELIVERY SEQUENCE

Unless otherwise agreed and subject to Section 6 of Rate Schedule IBS, Gas at any Delivery Point shall be deemed to have been delivered in the following sequence:

(a) Volumes scheduled under firm transportation Agreements consistent with confirmed nominations and within MDQ;

(b) Authorized Overrun Gas under FTS Agreements consistent with confirmed nominations and volumes scheduled under Rate Schedules ITS, PALS or IBS consistent with confirmed nominations and within MDQ; and

(c) Additional volumes shall be allocated pro rata based on confirmed nominations among Rate Schedules ITS, PALS and IBS Agreements under which Shippers nominated for that Day.

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9. OVERRUN AND UNAUTHORIZED GAS CHARGES AND PENALTY REVENUE

9.1 AUTHORIZED OVERRUN CHARGES

If deliveries to a Shipper exceed its MDQ under an Agreement but represent volumes properly nominated and confirmed, an Authorized Overrun Charge shall apply. The applicable maximum Authorized Overrun Charge for transportation under Rate Schedule FTS shall be a maximum Authorized Overrun Rate determined as the 100% load factor derivative of the maximum reservation and commodity rates, as calculated separately for Zone 1, Zone 2 and Interim Period Service, respectively. The applicable maximum Authorized Overrun Rate under Rate Schedule ITS, PALS or IBS shall equal the maximum rate for Rate Schedule ITS, PALS or IBS (separate rates are set out in this Tariff for Zone 1, Zone 2 and, in the case of ITS, for Interim Period Service). The maximum Authorized Overrun Charge under Rate Schedule ITS, PALS or IBS shall equal the maximum Authorized Overrun Rate multiplied by the number of Dth of the Authorized Overrun Gas. Such Authorized Overrun Rates may be discounted on a non-discriminatory basis to any level between zero and the maximum Authorized Overrun Rate or may be determined pursuant to a Negotiated Rate or Negotiated Rate Formula agreement.

9.2 UNAUTHORIZED GAS CHARGES

In light of Shipper's obligations to remain in balance under Section 10 of these General Terms and Conditions, to the extent that Receipt Point or Delivery Point imbalances are not accommodated under an OBA, an Unauthorized Gas Charge set out herein shall apply to all volumes tendered by or on behalf of Shipper or taken by or on behalf of Shipper at any Points in excess of confirmed nominations, under any Agreement ("unauthorized overrun"). Swings accommodated under an OBA shall not be subject to a charge under this provision. If an Unauthorized Gas Charge applies, the Shipper shall pay MEP an Unauthorized Gas Charge equal to the volume of the Gas the Shipper delivered in excess of confirmed nominations multiplied by the Unauthorized Gas Rate. The maximum Unauthorized Gas Rate is the greater of $10 or 2 times DIP; provided, however, that the Unauthorized Gas Charge may be discounted to any level between zero and this maximum rate or may be determined pursuant to a Negotiated Rate or Negotiated Rate Formula agreement. Any Unauthorized Gas Charge shall be waived by MEP if the unauthorized overrun does not cause operational problems.

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9.3 PENALTY REVENUE

Except as provided in subsection (c) of this Section 9.3, all amounts collected by MEP for penalties, commencing with the Commencement Date, shall be determined for each annual period ending December 31 and distributed, through a credit to current billings wherever feasible, within ninety (90) days after each December 31 (the initial period shall be the partial annual period commencing with the Commencement Date and ending on the ensuing December 31). For purposes of this subsection, penalties shall include Unauthorized Gas Charges, Balancing Service Charges and charges for failure to comply with an Operational Flow Order (including during a Critical Time). Such distribution shall be made as follows:

(a) These amounts shall be used first to compensate MEP for any cashout expenses and for any extraordinary out-of-pocket costs it has incurred (including any compensation MEP agreed to provide for voluntary actions) to alleviate the conditions created by the violation or which resulted in the issuance of an Operational Flow Order or the declaration of Critical Time or other operational action taken by MEP under Section 31 of these General Terms and Conditions. Costs that may be netted against penalty revenue may include only actual, verifiable and prudent incremental costs incurred to resolve the reliability concerns actually caused by the particular party or parties against which the penalty has been assessed and must relate to a circumstance which resulted in the penalty revenue to be credited under this provision. If these amounts are not adequate to reimburse MEP for its expenses, such unreimbursed expenses shall be carried forward to future annual periods until recouped.

(b) (1) Any remaining amounts will be refunded pro rata to all Shippers, except as provided below, through a credit to current billing wherever feasible, based on each Shipper's total of the MDQs for Zone 1 and for Zone 2 under FTS Agreements, plus nominated and confirmed volumes under Rate Schedule ITS, plus the volume of gas parked or loaned each month under each PALS Agreement, and the confirmed daily access request volume for Rate Schedule IBS in total for Zone 1 and for Zone 2 (relative to the total of such volumes for all Shippers); provided, however, that such calculation shall exclude volumes for any Shipper during any Month in which such Shipper incurred Unauthorized Gas Charges and/or failed to comply with an Operational Flow Order. In the event that for any Month, no

penalty revenues are distributed because all Shippers failed to comply with Operational Flow Orders that Month, then the amount of penalty revenue for that Month may be held by MEP for application under Section 9.3(a) for a period of up to two (2) years, at which time that amount will be included in the amounts for distribution in the then current annual period to the extent not offset by costs under Section 9.3(a). The refunds in the prior sentence shall be calculated on a Monthly basis but distribution of the credit shall be annual. If the costs to be netted against penalty revenue exceed the penalty revenue in any Month, the excess costs may be carried forward to be applied against penalty revenue in subsequent Months. Thus, while distribution is made annually, the net penalty revenue credit shall be calculated on a Monthly basis, subject to the carry forward of costs as stated in the prior sentence. A Shipper which incurred Unauthorized Gas Charges or which failed to comply with an Operational Flow Order shall be excluded from distribution of net penalty revenues only for the Month in which that violation occurred.

(2) Where capacity has been released, any amounts distributed to the Original Shipper and the calculation and amounts distributed to the Original Shipper shall be based on the MDQ and flowing volumes of Gas for that Shipper (without considering any contracts of Replacement Shippers) during the relevant annual period; provided, however, that in the case of a permanent release, any amounts distributed hereunder with respect to the released capacity shall be distributed to the Replacement Shipper and the calculation and the amounts distributed to the Replacement Shipper shall be based on the MDQ and flowing volume for that Replacement Shipper during the relevant annual period. MEP shall file with the Commission a refund report for each annual distribution of penalty revenue under this subsection.

(c) Penalty revenue associated with the Leased Capacity Charges shall not be subject to this Section 9.3 or included in any calculation hereunder because such revenue is all passed on by MEP to Enogex.

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10. IMBALANCES AND SCHEDULING CHARGES

10.1 RESPONSIBILITY FOR BALANCING

Shippers are obligated to deliver and receive Gas in conformance with their confirmed nominations. MEP will attempt to enter into OBAs which deal with imbalances. If an OBA is not feasible or the imbalance is beyond the terms of the OBA, however, Shippers are also responsible for conforming their takes at Delivery Points with their deliveries to MEP at Receipt Points each Day. MEP has no obligation to deliver for the account of a Shipper more volumes of Gas than MEP has received for the account of the Shipper or to accept for the account of the Shipper more volumes of Gas than are being delivered for the account of the Shipper on any Day.

10.2 NETTING AND TRADING OF IMBALANCES

At the end of each calendar Month, to the extent the net receipts (with the appropriate deductions for the applicable Fuel Gas and Unaccounted For Gas) do not equal deliveries under an Agreement on a Dth basis [such imbalances shall be separately determined by Operational Impact Area as defined in Section 10.4(d) hereof] and for imbalances that may be created at a point level in specific Operational Impact Areas due to the differences between the nominated and or confirmed and allocated activity, but may offset at the contract level, the following netting and trading procedures will apply (imbalances on the Leased Capacity will be determined separately with appropriate deductions for fuel and unaccounted for gas applicable to the Leased Capacity):

(a) Imbalances under a Shipper's different Agreements will then be netted together for each Operational Impact Area to obtain the Shipper's aggregate imbalance for each Operational Impact Area, which will be either an Overage Imbalance or an Underage Imbalance as defined in Section 10.4 hereof. Netting must be done within the Operational Impact Areas defined in Section 10.4(d) of these General Terms and Conditions. Shippers may only decrease their Overage and Underage Imbalances through trading and must do so within the Operational Impact Area where the imbalance exists.

(b) To assist Shippers in arranging trades, MEP will post on its Interactive Website the Total aggregate Imbalance by Operational Impact Area of any Shipper which has notified MEP that it has elected to have such information posted. Notification by the

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Shipper may be in writing or on MEP's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day (Central Clock Time) if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the Month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances until the seventeenth Business Day of the Month after the imbalance occurred; provided, however, that imbalances can only be traded within the Operational Impact Areas defined in Section 10.4(d) of these General Terms and Conditions.

(c) MEP shall enable the imbalance trading process via its Interactive Web Site or other mutually agreeable electronic means by:

(1) Receiving the Request for Imbalance Trade,

(2) Receiving the Imbalance Trade Confirmation,

(3) Sending the Imbalance Trade Notification, and

(4) Reflecting the trade prior to or on the next Monthly Shipper Total Aggregate Imbalance or cashout.

(d) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by MEP.

(e) After receipt of an Imbalance Trade Confirmation, MEP shall, upon review and approval, effectuate the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (Central Clock Time) the next Business Day.

(f) All trade requests for trades and accommodations will be initiated via Interactive Website or other mutually agreeable electronic means.

(g) Subject to Section 10.3 below, any Shipper imbalance remaining after the netting and trading process will be cashed out each Month by Operational Impact Area pursuant to Section 10.4.

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10.3 SCHEDULING AND SEQUENCE OF ACTIONS

In rectifying imbalances which jeopardize MEP's ability to provide firm service, MEP shall first attempt to control imbalances through the scheduling process. MEP shall coordinate with the Shipper and with upstream and downstream entities to assure that the volume of Gas delivered to Shipper or for its account and the volume of Gas physically received by MEP for Shipper are in close balance. In addition, Shipper may nominate quantities of Gas on any Day during the month to rectify an imbalance, subject to MEP's scheduling and curtailment provisions, and any operational considerations that may otherwise limit the amount of Gas that MEP may receive or deliver on such Day as payback volumes for such imbalance. In such event, MEP shall have the right, via the confirmation process, to reduce all or a portion of such nominated payback volumes. If further action is required to control imbalances, MEP may adjust nominations upon notice to Shipper and otherwise take actions as specified in the remainder of this Section 10. If Shipper is unavailable, adjustments will be made pursuant to a Shipper provided ranking or pro-rata if a Shipper provided ranking is not available. MEP may also utilize Operational Control measures under Section 31 of these General Terms and Conditions to control imbalances to the extent consistent with Section 31. MEP will provide prior notice of any action taken under Section 31 of these General Terms and Conditions, consistent with the provisions of Section 31.

10.4 CASHOUT PROCEDURES

(a) Definitions

(1) Operational Impact Area - "Operational Impact Area" shall mean any one of the four geographical locations of MEP's system defined in Section 10.4(d) hereof, which shall be used for purposes of netting, trading, and cashing out of imbalances.

(2) Overage Imbalance - "Overage Imbalance" shall mean that excess receipts under an Agreement are owed to Shipper by MEP.

(3) Overage Average Monthly Index Price - "Overage Average Monthly Index Price" or "OAMIP" shall mean the volume-weighted average of the applicable monthly index prices used in determining cashout amounts to resolve Overage Imbalances, as provided in this Section 10.4.

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(4) Underage Imbalance - "Underage Imbalance" shall mean that excess deliveries under an Agreement are due from Shipper to MEP.

(5) Underage Average Monthly Index Price - "Underage Average Monthly Index Price" or "UAMIP") shall mean the volume-weighted average of the applicable monthly index prices used in determining cashout amounts to resolve Underage Imbalances, as provided in this Section 10.4.

(b) Any Overage and/or Underage Imbalances remaining after trading of Imbalances will be cashed out on a tiered basis pursuant to the following schedule, unless other means of disposition are mutually agreed between MEP and Shipper:

Imbalance Level	Overage (MEP Pays Shipper)	Underage (Shipper Pays MEP)
0% to 5%	100% x OAMIP	100% x UAMIP
Greater than 5% to 10%	90% x OAMIP	110% x UAMIP
Greater than 10% to 15%	80% x OAMIP	120% x UAMIP
Greater than 15% to 20%	70% x OAMIP	130% x UAMIP
Greater than 20%	60% x OAMIP	140% x UAMIP

A Shipper's remaining Overage and/or Underage Imbalances will be cashed out based on the percentage of the respective Overage or Underage Imbalance, as applicable, compared to the total allocated receipts for that Shipper during the Month. An Overage Imbalance will be cashed out at the Overage Average Monthly Index Price, and an Underage Imbalance will be cashed out at the Underage Average Monthly Index Price, as defined in Section 10.4(g) and Section 10.4(h) hereof, respectively. For example, if the total allocated receipts were 1,000 Dth and the remaining Underage Imbalance after offsetting with other Shippers was 100 Dth, the total Imbalance Level would be 10%. The first 5% (50 Dth) would be cashed out at 100% of the UAMIP and the remaining 50 Dth would be cashed out at 110% of the UAMIP.

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(c) The Monthly Index Price (MIP) is based on prices as reported in "Gas Daily". MEP shall use either the highest weekly average price or the lowest weekly average price determined for each Month as the MIP for all monthly Imbalances subject to cashout hereunder, as described below. The average price for each week shall be the price for the applicable location indicated below in the referenced publication in the table entitled "Weekly Weighted Average Prices" (or the superseding reference if the publication titling is revised). The issues of such publication to be used in determining each Month's highest weekly average price and lowest weekly average price shall include all issues containing the above-referenced table with publication dates within the calendar month in which the Imbalance occurred, plus the first publication of the next Month after the Imbalance occurred containing the above-referenced table. If the weekly price for one or more of the locations below is no longer published by Gas Daily, the equivalent prices in the Energy Intelligence Group publication "Natural Gas Week", under the column labeled "$/MMBtu" in the table entitled "Natural Gas Weekly Spot Prices" will be used to determine the MIP's for all locations indicated below.

(1) For Gas owed MEP (Underage Imbalances), the MIP shall be the highest of the weekly average prices for the applicable location indicated below for the Month in which the Imbalance occurred.

(2) For Gas owed Shipper (Overage Imbalances), the MIP shall be the lowest of the weekly average prices for the applicable location indicated below for the Month in which the Imbalance occurred.

(d) Trading and cashout of imbalances shall be implemented within Operational Impact Areas (OIAs). There are four Operational Impact Areas on the MEP System. OIA-1 is defined as the Interconnection of MEP or MarkWest and Enogex and uses the NGPL, Midcontinent Index Price. The following defines the geographical boundaries of the remaining Operational Impact Areas and the price index utilized for each area for determination of cashout prices:

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East of	West of and Including	Index
OIA-2 Interconnection of MEP and Enogex	Interconnection of MEP and NGPL	NGPL, TexOk Zone
OIA-3 Interconnection of MEP and NGPL	Interconnection of MEP and Col. Gulf	Columbia Gulf, Mainline
OIA-4 Interconnection of MEP and Col. Gulf	Interconnection of MEP and Transco	Transco, Zone 4

(e) Following the period for netting, offsetting, buying and/or selling Imbalances, Shippers with remaining imbalances shall pay MEP or will be credited with the appropriate cashout amounts, unless otherwise agreed to in writing by MEP.

(f) In each instance when a Shipper(s) must cashout its remaining imbalances in any Operational Impact Area, MEP shall have the right to review the circumstances surrounding such remaining Imbalance and, in its judgment, waive all or a portion of the cashout amount. Any such waiver shall be granted on a non-discriminatory basis to all Shippers from whom cashout amounts were collected in that instance.

(g) The Overage Average Monthly Index Price (OAMIP) is a volume-weighted average of the applicable MIPs for the four Operational Impact Areas. For purposes of this calculation, the volume used for each Operational Impact Area shall be the net Overage Imbalance for that Operational Impact Area.

(h) The Underage Average Monthly Index Price (UAMIP) is a volume-weighted average of the applicable MIPs for the four Operational Impact Areas. For purposes of this calculation, the volume used for each Operational Impact Area shall be the net Underage Imbalance for that Operational Impact Area.

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10.5 DETERMINING IMBALANCES OR CASHOUT

(a) OPERATIONAL DATA VS. ACTUALS

In determining the cashout tiers applicable under Section 10.4 above, MEP will utilize the operational data posted on Transporter's Interactive Website as of the end of the Month or the actual flow volumes, whichever results in a lower cost impact to Shipper.

(b) PRIOR PERIOD ADJUSTMENTS

Any imbalances for a Month that are booked after the transportation for that Month has been billed will be cashed out at 100% of the applicable OAMIP or UAMIP in effect during the Month the Imbalance occurred.

10.6 PURCHASE AND SALE OF GAS

(a) MEP is not providing a supply service under any Rate Schedule of this Tariff. Nevertheless, without limitation of the foregoing, MEP may buy and sell Gas to the extent necessary to maintain System pressure, to balance the system as necessary to assure MEP's ability to perform and to continuing performing firm service, to implement the cashout procedures under this Section 10 and to perform other functions in connection with providing transportation service and operating its transmission System. The point of any such sale shall occur at existing Receipt or Delivery Points on the MEP System or at a Pooling Point. Such sales shall be authorized pursuant to MEP's blanket sales certificate. Nothing herein shall impose on MEP any obligation to provide a supply function to any of its Shippers. In any such instance, on the next Monthly invoice, MEP will reflect the purchase and sales amounts as an additional charge or credit, as applicable. The amounts reflected shall be supported by information which shows that the price was reasonably consistent with one or more price indices commonly utilized in the industry for the area, such as those used to determine DIP, or by a detailed explanation as to why the available indices were not appropriate under the circumstances.

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(b) Operational Purchases and Sales

(1) Except in the situations outlined in subsection (2) below, MEP will post its operational purchases and sales quantities for bidding on its interactive website in accordance with the applicable bidding provisions which shall be posted at the time of the purchase or sale, or some other trading platform such as the Intercontinental Exchange (ICE). MEP reserves the right, in its sole discretion to:

(i) withdraw its postings at any time;

(ii) reject all bids due to operational changes; and

(iii) reject any bids which do not meet or which contain modifications to the terms of the posting or which contain terms that are operationally unacceptable.

(2) MEP will not be required to post operational purchases and sales quantities for bidding if MEP has declared a Critical Time or if such purchases and sales were necessary to avoid the Critical Time.

(c) MEP will file an annual report on operational purchases and sales which will indicate the source of the gas, date of the purchase/sale, volumes, purchase/sale price, costs and revenues from the purchase/sale, and the disposition of the costs and revenues. The report will be filed within 90 days of the end of each calendar year.

10.7 THIRD PARTY BALANCING

At any time during the term of its firm Agreement(s) on MEP, a firm Shipper may request that MEP enter into a Third Party Balancing Agreement. A Third Party Balancing Agreement is a contract executed by MEP, the firm Shipper and one or more third parties which agree to manage imbalances of that Shipper under specified firm Agreement(s) on MEP. MEP will enter into a Third Party Balancing Agreement, subject to the following conditions:

(a) The third party provider(s) is responsible for obtaining all necessary regulatory approvals of any service (certification, approval of tariffs, establishment of rates, etc.) which is being relied upon to perform the imbalance management;

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(b) The Third Party Balancing Agreement must be executed by MEP, the firm Shipper and any third party performing imbalance management. The Third Party Balancing Agreement must allow the third party imbalance management to be integrated into MEP's operations.

(1) MEP must have the right to call on the third party provider(s) for the agreed imbalance management on short notice, within defined parameters, to effectuate necessary operational changes.

(2) MEP must be given timely notice of the nature and level of the imbalance management being provided by the third party provider(s) pursuant to the Third Party Balancing Agreement on any Day.

(3) The Third Party Balancing Agreement must: (i) define the operational changes the third party provider(s) will effectuate to offset the operational effects on MEP of imbalances at points on the System covered by the Third Party Balancing Agreement; and (ii) identify the resources or services which the third party provider(s) will utilize to implement such changes.

(4) Any third party providing imbalance management must be able to deliver or receive Gas, as applicable, at the prevailing operating pressure on MEP's System at the relevant point(s) and the Third Party Balancing Agreement must so specify.

(5) Unless otherwise agreed, any imbalance to be covered by a Third Party Management Agreement shall reside at the point of interconnection between MEP and the entity providing the imbalance management service.

(c) The Third Party Balancing Agreement shall specify the Agreements and the points to be balanced and must set out the Agreement of the parties as to how imbalances are to be allocated to and accounted for at the point(s) covered by the Third Party Balancing Agreement and any limitations on the level of imbalances to be managed under the Third Party Balancing Agreement.

(d) (1) The physical facilities or resources of the third party provider(s) (or used by such third party or parties) to perform the imbalance management must be capable of supporting the operational effects necessary to perform imbalance management, which may require almost instantaneous operational changes on MEP.

(2) Bi-directional flow must be available at the Delivery and/or Receipt Points involved.

(3) The third party provider(s) must have the ability to get Gas onto or off of MEP's System in order to effectuate a true physical balancing.

(4) The Shipper or third party provider(s) may utilize services on another entity to perform imbalance management so long as all conditions of this Section 10.7 are satisfied; provided, however, that if any such entity is relying on facilities or resources it does not own or control, the entity which does own or control those facilities or resources must become a party to the Third Party Balancing Agreement.

(e) If MEP is required to backstop the third party service provider(s), either by agreement or because the imbalance management services specified by the Third Party Balancing Agreement are not performed, MEP must be authorized to assess charges and penalties against Shipper, the third party provider(s), or both, and the Third Party Balancing Agreement shall so provide.

(f) The Third Party Balancing Agreement will terminate if the Shipper no longer has service on MEP under the Agreements specified in the Third Party Balancing Agreement.

10.8 BALANCING SERVICE CHARGES

(a) During periods when a Critical Time or an Operational Flow Order is not in effect, Balancing Service Charges apply as set out in this subsection (a); provided that such charges shall not apply to Leased Capacity.

(1) If the volumes allocated to any FTS or ITS Agreement fail to equal the confirmed nomination under such Agreement or if volumes allocated to any IBS or PALS Agreement are inconsistent with confirmed nominations and/or available rights, as applicable,

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the following Balancing Service Charges shall apply, subject to the availability of balancing service under Rate Schedule IBS consistent with its terms, based on the degree of variance between actual deliveries, and Shipper's rights and/or confirmed nominations (no charge hereunder shall apply for variances at Receipt Points):

Variance	Charge
0% to 5%	No additional charges
5% to 10%	$0.10/Dth
10% to 20%	$0.20/Dth
20% to 50%	$0.30/Dth
Above 50%	$0.50/Dth

(2) Tiered Balancing Service Charges under this Section 10.8 shall be applied on a graduated basis, i.e., the specified charge shall apply only to that portion of the variance which is within the corresponding tier between its lower and upper percentage boundaries (variances within a range greater than the lower boundary and equal to or less than the upper boundary) and not to any portion of the variance falling within other tiers.

(b) On any day when an Operational Flow Order (but not a Critical Time) is in effect, if actual receipts or deliveries allocated to a Shipper at any point or under any Agreement do not conform to such Shipper's confirmed nominations applicable to such point and/or Agreement, Balancing Service Charges will be assessed on such variances that are detrimental to MEP's system, based on the conditions described in or giving rise to the Operational Flow Order; provided, however, that such charges shall not apply with respect to Leased Capacity. Notwithstanding the foregoing, Balancing Service Charges shall not be assessed for variance at Receipt Points unless explicitly stated in the Operational Flow Order. The Operational Flow Order shall also state whether the charges are to be based on variances at individual points, by zone or by other aggregation. Where Balancing Service Charges apply under this subsection (b), they shall be in lieu of Balancing Service Charges under subsection (a). Balancing Service Charges during this period will be as follows, based on the variance between actual receipts or deliveries and the applicable confirmed nominations.

Variance	Charge
0% to 3%	No additional charges
3% to 10%	Greater of $1.00/Dth or 50% of DIP
10% to 20%	Greater of $2.00/Dth or 1 times DIP
20% to 50%	Greater of $4.00/Dth or 2 times DIP
Above 50%	Greater of $8.00/Dth or 4 times DIP

(c) On any day when a Critical Time is in effect, if actual receipts or actual deliveries allocated to Shipper at any point or under any Agreement do not conform to confirmed nominated volumes and rights applicable to such point or Agreement, Balancing Service Charges will be assessed for the variances that are to the detriment of MEP's system; provided, however, that such charges do not apply with respect to Leased Capacity. Charges hereunder shall be in lieu of any otherwise applicable Balancing Service Charges under subsections (a) and (b). The Balancing Service Charges in effect during a Critical Time will be as follows:

Variance	Charge
0% to 3%	Greater of $4.00/Dth or 2 times DIP
3% to 10%	Greater of $12.00/Dth or 6 times DIP
10% to 20%	Greater of $40.00/Dth or 20 times DIP
20% to 50%	Greater of $80.00/Dth or 40 times DIP
Above 50%	Greater of $200.00/Dth or 100 times DIP

Any imbalance created during a Critical Time that is not eliminated before the end of the month will be subject to the cashout provisions of Section 10.4; provided, however, that any remaining imbalance created during a Critical Time which helped the System will be cashed out at 100% of the OAMIP or UAMIP used for calculating Underage or Overage Imbalances, as applicable, for the Operational Impact Area in which the imbalance occurred.

(d) MEP may discount or waive any charges under this Section 10.8 on a basis which is not unduly discriminatory.

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11. STATEMENTS, BILLING, PAYMENT AND DISCOUNTING POLICY

11.1 STATEMENT AND INVOICES

MEP shall, on or before the ninth (9th) Business Day of each Month, render to Shipper a bill or bills for service under each applicable Rate Schedule during the preceding Month. As used in this Section 11, "render" is defined as transmitted electronically to the designated site unless electronic communication is unavailable, in which case bills will be sent by mail. Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be invoiced based on scheduled quantities.

11.2 SHIPPER INFORMATION

If information is required from Shipper, or its designee, to actualize volumes or allocations, Shipper shall furnish the required information, or cause it to be furnished, to MEP, on or before the tenth (10th) day of each Month.

11.3 IMBALANCE STATEMENT

Imbalance statements will be generated at the same time or prior to the generation of the invoice. Prior to or with the above-required invoice for billing, MEP shall render the Gas imbalance statement which details in Dth, by Operational Impact Area, the Gas received and delivered each Month at the Receipt and Delivery Point(s) based on the best information available.

11.4 PAYMENT

Shipper shall pay to MEP by wire transfer to a bank designated by MEP, the amount due MEP for services provided pursuant to an Agreement during the appropriate calendar Month as reflected in the billing described above, within ten (10) calendar days after the date of receipt of such billing. For purposes of this Section, the bill is deemed to be received by Shipper on the date sent to Shipper's designated site if sent by EDI or by e-mail, or three (3) days after the postmark date if sent by mail. The invoice number should be identified on all payments and the Shipper should submit supporting documentation identifying what is being paid.

MEP shall apply payment per such supporting documentation. If payment differs from the invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer in which case the remittance detail is due within two (2) Business Days of the payment due date. Should Shipper fail to pay any undisputed portion of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill shall accrue at the maximum allowable interest permitted under the Commission's Regulations. For any amount to be considered "disputed," Shipper must provide appropriate documentation supporting and identifying the basis for the dispute. If Shipper fails to make payment in accordance with this Section, MEP may, in addition to any other remedy it may have under this Tariff or under commercial law: (a) suspend deliveries or terminate service as provided in Sections 2.8 or 12.2 of these General Terms and Conditions; and (b) offset such deficient payments against any payments, refunds or credits owed by MEP to Shipper.

11.5 ADJUSTMENT OF ERRORS

(a) The time limitation for notifying MEP of any dispute relating to billing including disputes regarding allocations, shall be six (6) Months from the date the bill is received with a three (3) Month rebuttal period. This time period shall also apply to any adjustments by MEP in billings. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact.

(b) Any error discovered as a result of a timely claim shall be corrected within thirty (30) days of the determination thereof. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. However, in no event will any changes be made after twenty-four (24) Months from the date of statements, billings or payment, based on actualized volumes, unless the parties mutually agree.

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11.6 DISCOUNTING POLICY FOR RATES AND CHARGES

MEP reserves the right to provide, by contract with any Shipper, for adjustment at any time of the rates for service to a level below the maximum rates applicable to such service, as stated in this Tariff, but (except as permitted under Section 30 of these General Terms and Conditions) no less than the minimum rates as applicable to such service, as stated in this Tariff. To the extent MEP agrees to a discount of any reservation rates and reservation surcharges for firm transportation service, the discount will be apportioned first to the base reservation rate, and second, if the discount is greater than such base reservation rate, to any applicable reservation surcharge. To the extent MEP agrees to discount any commodity rates and commodity surcharges for firm transportation service, the discount will be apportioned first to the base commodity rate, and second, if the discount is greater than such base commodity rate, to the commodity surcharge. To the extent MEP agrees to a discount of any commodity rates and commodity surcharges for interruptible transportation service, the discount will be apportioned first to the base commodity rate, and second, if the discount is greater than such base commodity rate, to any applicable commodity surcharge. Nothing herein will require MEP to agree to any discount. Discounting is governed by Section 34 of these General Terms and Conditions.

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12. EVALUATION OF CREDIT

12.1 In evaluating requests for service and for certain other purposes under this Tariff, including Sections 2.8 and 12.2 of these General Terms and Conditions, MEP will perform a credit appraisal of Shipper.

(a) Acceptance of a Shipper's request for service and the continuation of service are contingent upon the Shipper satisfying creditworthiness requirement on an on-going basis. MEP'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 MEP do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by MEP, which reviews may be conducted on at least an annual basis, new credit appraisals may be required when an existing Agreement is amended or a request for a new Agreement is made, subject to the provisions of Section 2.8 and 12.2 of these General Terms and Conditions. To determine creditworthiness, a credit appraisal shall be performed in accordance with the following criteria:

(1) MEP shall apply consistent evaluation practices to all similarly situated Shippers to determine the Shipper's financial ability to perform the payment of obligations due to MEP over the term of the requested or existing Agreement(s). The creditworthiness requirements of this Section 12 shall apply to any assignment (in whole or in part) of any Agreement or any release of an Agreement.

(2) A Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") and at least Baa3 by Moody's Investor Service ("Moody's") (provided, however, that if the Shipper's rating is at BBB- or Baa3 and the short-term or long-term outlook is Negative, MEP may require further analysis as discussed below); and (ii) the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term is less than 15% of Shipper's tangible net worth. In the event Shipper is rated by

both S&P and Moody's, the lower rating applies. For the purposes of this Section 12, the term "tangible net worth" shall mean for a corporation the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in MEP's assessment of creditworthiness. In comparing the overall value of a Shipper's contract to tangible net worth for credit evaluation purposes, MEP will compare the net present value of the demand or reservation charge obligations under such contracts to Shipper's current tangible net worth. If a Shipper has multiple service agreements with MEP, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

(3) If Shipper does not meet the criteria described above, then Shipper may request that MEP evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon MEP's evaluation of the following information and credit criteria:

(i) S&P and Moody's opinions, watch alerts, and rating actions and reports, rating, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.

(ii) Consistent financial statement analysis will be applied by MEP to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

(iii) Results of bank and trade reference checks and credit reports must demonstrate that a Shipper is paying its obligations in a timely manner.

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(iv) 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 and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if MEP is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment.

(v) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.

(vi) Whether Shipper has or has had any delinquent balances outstanding for services provided previously by MEP and whether Shipper is paying and has paid its account balances according to the terms established in its Agreements (excluding amounts as to which there is a good faith dispute).

(vii) The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of MEP's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

(viii) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the contract.

(4) Information which MEP may request to be provided by Shipper to MEP in connection with such a credit evaluation includes the following:

(i) Audited Financial Statements;

(ii) Annual Report;

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(iii) Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;

(iv) For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;

(v) For non-public entities, including those that are state-regulated utilities, the most recent available interim financial statements, with an attestation by its CFO that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with GAAP or equivalent;

(vi) For non-public entities, including those that are state-regulated utilities, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the Shipper's current financial condition;

(vii) For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized Gas supply cost recovery mechanism;

(viii) List of affiliates, parent companies, and subsidiaries;

(ix) Publicly available credit reports from credit and bond rating agencies;

(x) Private credit ratings, if obtained by the Shipper;

(xi) Bank references;

(xii) Trade references;

(xiii) Statement of legal composition; and

(xiv) Statement of the length of time the business has been in operation.

(5) Upon receipt of any request from MEP for information to be used for creditworthiness evaluation, the Shipper's authorized representative(s) shall acknowledge receipt of MEP's request; provided, however, that MEP and the Shipper may mutually agree to waive this requirement. The Shipper's authorized representative(s) shall respond to MEP's request for credit information as allowed by this Tariff, on or before the due date specified in the request. The Shipper shall provide all the credit information requested by MEP or provide the reason(s) why any of the requested information was not provided. Upon receipt from the Shipper of all credit information provided pursuant to this Section 12, MEP shall notify the Shipper's authorized representative(s) that it has received such information; provided, however, that MEP and the Shipper may mutually agree to waive this requirement. The Shipper shall designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, pursuant to this Section 12.1 and to provide to MEP the Internet e-mail address of such representatives prior to the initiation of service. Written requests and responses shall be provided via Internet E-mail, unless otherwise agreed to by the parties. In complying with the creditworthiness related notifications pursuant to this Section 12.1, the Shipper and MEP may mutually agree to other forms of communication in lieu of Internet E-mail notification. The obligation of MEP to provide creditworthiness notifications is waived until the above requirement has been met. The Shipper is to manage internal distribution of any creditworthiness notices that are received. MEP shall designate, on its Interactive Website or in written notices to the Shipper, the Internet e-mail address of up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness. The Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives and MEP is to manage internal distribution of any such confirmations. The provisions of this paragraph relating to representatives and notification also apply to any notice related to creditworthiness under Section 2.8, 12.2, or 14.1 of these General Terms and Conditions.

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(6) If MEP concludes that a Shipper is non-creditworthy, MEP shall provide written notice to Shipper within ten (10) days after that determination is made. If requested by Shipper, MEP shall provide a written explanation of the reasons for this determination. A Shipper may challenge MEP's determination by providing a written rebuttal to MEP's explanation within ten (10) days after the explanation is provided by MEP. MEP shall respond to such a rebuttal in writing within ten (10) days. Any reevaluation of credit by MEP in response to such a rebuttal by the Shipper shall be based on the credit criteria set out in this Section 12.1(a) and shall be performed as provided in Section 12.2 of these General Terms and Conditions.

(b) (1) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain or continue service hereunder if Shipper, at its sole discretion, provides the security required under one of the following options:

(i) payment in advance for all fees and charges for twelve (12) Months of service for those Shippers subscribing to capacity prior to the pipeline being in service and for three (3) months for those Shippers subscribing to capacity after the pipeline is in service, except to the extent otherwise agreed, plus a reasonable amount for the value of imbalance gas and (in the case of Rate Schedule PALS) for the value of loaned gas;

(ii) a standby irrevocable letter of credit covering all such amounts for twelve (12) Months of service for those Shippers subscribing to capacity prior to the pipeline being in service and for three (3) months for those Shippers subscribing to capacity after the pipeline is in service drawn upon a bank acceptable to MEP, except to the extent otherwise agreed;

(iii) security interest covering all such amounts for twelve (12) Months of service for those Shippers subscribing to capacity prior to the pipeline being in service and for three (3) months for those Shippers subscribing to capacity after the pipeline is in service in collateral provided by the Shipper found to be satisfactory to MEP, except to the extent otherwise agreed;

(iv) guarantee of all such amounts for twelve (12) Months of service for those Shippers subscribing to capacity prior to the pipeline being in service and for three (3) months for those Shippers subscribing to capacity after the pipeline is in service by a person or another entity which does satisfy the credit appraisal, except to the extent otherwise agreed; or

(v) other security acceptable to MEP.

(2) By mutual agreement, in lieu of credit support under subsection (b)(1), MEP and Shipper may enter into an agreement that provides that, in the event Shipper is deemed non-creditworthy, MEP and its affiliates may net their respective payment obligations to Shipper or its affiliates up to the amount of the deficient credit support owed MEP under these provisions.

(3) The value of imbalance Gas and loaned Gas shall be determined in accordance with this subsection (3). MEP may require security from noncreditworthy Shippers for the value of imbalance Gas either under an OBA or under Rate Schedules FTS and/or ITS and of Gas loaned under Rate Schedule PALS. The amount of security necessary to collateralize imbalance Gas and Gas loans shall be equal to the outstanding quantities of imbalance Gas and of Gas previously loaned to the Shipper plus any additional quantities of imbalance Gas which MEP reasonably expects to incur during the ensuing 12 months based on prior experience and any additional quantities of loaned Gas which MEP is obligated to loan Shipper pursuant to an executed Request Order, times the Index Price. The Index Price as used herein shall mean, as applicable, the Midpoint Price published in Gas Daily on the Day the imbalance volume is calculated or the loan is agreed upon (which will generally reflect the previous Business Day's activity) for the Operational Impact Area in which the imbalance or loan is to occur. If such a price is not published by Gas Daily for that day, MEP will use a price based on an appropriate index price in another Gas Daily publication or another publication of common use in the industry as mutually agreed upon by MEP and Shipper.

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(4) Nothing herein shall be read to preclude MEP from requiring, and enforcing for the term of the initial contracts, a greater amount of security in agreements supporting an application for a certificate to construct new or expanded facilities, including any replacement contract entered into upon a permanent release of capacity under such an initial contract, any assignment of such an initial contract or any resale of capacity subject to such an initial contract in the event of a default.

(c) Where a Shipper selects the prepayment option under Section 12.1(b) of these General Terms and Conditions, the prepayment amounts shall be deposited in an interest-bearing escrow account if such an account has been established by Shipper which meets the criteria set out in this paragraph. The costs of establishing and maintaining the escrow account shall be borne by Shipper. The escrow bank must be rated at least AA or better and shall not be affiliated with Shipper. The escrow arrangement shall provide for the prepayment amounts to be applied against the Shipper's obligation under its service agreement(s) with MEP and shall grant MEP a security interest in such amounts as an assurance of future performance. The escrow agreement shall specify the permitted investments of escrowed funds so as to protect principal, and shall include only such investment options as corporations typically use for short-term deposit of their funds. Such escrow account shall at all times maintain the amount of prepayments required under Section 12.1(b) of these General Terms and Conditions. If MEP is required to draw down the funds in escrow, it will notify the Shipper and Shipper must replenish such funds within three (3) Business Days after such notice.

(d) In the event MEP constructs new lateral facilities to accommodate a Shipper, MEP may (unless otherwise agreed) require from the Shipper security in an amount up to the cost of the facilities. This provision does not apply to mainline expansions. Such security may be in any of the forms available under Section 12.1(b) of these General Terms and Conditions, at Shipper's choice. MEP is only permitted to recover the cost of facilities once, either through rates or through this provision. As MEP recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Specifically, collateral provided by Shipper related to new facilities shall be returned to that Shipper in equal Monthly amounts over the term of its contract for service related to

the new facilities or as otherwise mutually agreed by MEP and Shipper. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This requirement is in addition to and shall not supersede or replace any other rights that MEP may have regarding the construction and reimbursement of facilities.

(e) MEP may not take any action under this Section 12.1 which conflicts with any order of the U.S. Bankruptcy Court.

12.2 (a) (1) If at any time MEP reasonably determines based on adequate information available to it that a Shipper is not creditworthy under Section 12.1(a) of these General Terms and Conditions or if Shipper fails to maintain assurance of future performance under Section 12.1(b) of these General Terms and Conditions, MEP may notify such Shipper in writing that it has five (5) Business Days to provide MEP with security consistent with Section 12.1(b) of these General Terms and Conditions which is adequate to cover all charges for one Month's advance service; provided, however, that MEP shall not be authorized to send such a notice to any Shipper which meets criteria for satisfying credit requirements set out in Section 12.1(a)(3). In addition, within thirty (30) days after such notification, the Shipper must fully comply with the means for adequate assurance of future performance, covering the full level of collateral provided for under Section 12.1(b) of these General Terms and Conditions. If the Shipper has not satisfied the requirements in either of prior two (2) sentences by the end of the specified prior notice period, MEP may immediately suspend service to Shipper. MEP may terminate service if it has complied with the procedures in Section 12.2(d) of these General Terms and Conditions.

(2) If MEP does not have sufficient information to determine whether Shipper is creditworthy, it may request additional information in writing from the Shipper consistent with Section 12.1(a) of these General Terms and Conditions, and Shipper must provide such information within five (5) Business Days.

(i) If MEP requests additional information to be used for credit evaluation after the initiation of service, MEP, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to the Shipper and designate to whom the response should be sent; provided that MEP and the Shipper may mutually agree to waive this requirement.

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(ii) Upon receipt of a request from MEP for information to be used for creditworthiness evaluation, the Shipper's authorized representative(s) shall acknowledge receipt of MEP's request; provided, however, that MEP and the Shipper may mutually agree to waive this requirement.

(iii) The Shipper's authorized representative(s) shall respond to MEP's request for credit information, as allowed by this Tariff, on or before the due date specified in the request, which due date must be consistent with the requirement of this Section 12.2(a)(2). The Shipper should provide all the credit information requested by MEP or provide the reason(s) why any of the requested information was not provided.

(iv) Upon receipt from the Shipper of all credit information provided pursuant hereto, MEP shall notify the Shipper's authorized representative(s) that it has received such information; provided, however, that MEP and the Shipper may mutually agree to waive this requirement.

(v) Representatives and notices regarding Shipper creditworthiness shall be as provided in Section 12.1(a) of these General Terms and Conditions.

(vi) If Shipper fails to provide the requested information or if MEP determines that the Shipper is not creditworthy based on such information, Section 12.2(a)(1) of these General Terms and Conditions shall apply for suspension of service and Section 12.2(d) of these General Terms and Conditions shall apply for termination of service.

(b) Any suspension of service hereunder shall continue until MEP is reasonably satisfied that Shipper is creditworthy under Section 12.1(a) of these General Terms and Conditions or until Shipper has provided adequate assurance of future performance under Section 12.1(b) of these General Terms and Conditions. A Shipper shall not be obligated to pay any reservation or demand charges for suspended service attributable to the period when that service is suspended.

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(c) At any time after a Shipper is determined to be non-creditworthy by MEP, the Shipper may initiate a creditworthiness re-evaluation by MEP. As part of the Shipper's re-evaluation request, the Shipper must either update or confirm in writing the prior information provided to MEP 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. Such reevaluation shall be performed consistent with Section 12.1(a) of these General Terms and Conditions. After MEP's receipt of such a request for credit reevaluation including all required information under this Tariff for evaluation of credit, MEP shall provide a written response to Shipper within five (5) Business Days. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for MEP's decision, or an explanation supporting a future date by which a reevaluation determination will be made. In no event should such reevaluation determination exceed twenty (20) Business Days from the date of the receipt of Shipper's Request unless specified in this tariff or if the parties mutually agree to some later date. If MEP determines that Shipper is now creditworthy without security, any security requirements under Section 12.1(b) of these General Terms and Conditions shall be terminated and any prepayment amounts (including any applicable interest) released to Shipper from escrow within five (5) Business Days after such determination.

(d) In addition to suspension, MEP may terminate service if the Shipper fails to provide adequate assurance of future performance consistent with Section 12.1(b) of these General Terms and Conditions. Any such termination requires thirty (30) days' prior notice to Shipper and to the Commission. To avoid termination, the Shipper must satisfy Section 12.1(b) of these General Terms and Conditions within this notice period. Such notice may be given simultaneously with the notice provided for in Section 12.2(a)(1) of these General Terms and Conditions. If the contract is terminated, MEP shall net and/or set off, as allowed by law, all positions calculated in accordance with the provisions of the applicable Rate Schedule (i.e., invoiced transportation amounts, invoiced imbalance amounts, park and loans, rate refunds, etc.) prior to settling outstanding account balances with the Shipper. MEP shall have the right to assert any liens or other interests, consistent with applicable law, against any gas remaining on its system.

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(e) In addition to any prior notice provided for above, MEP shall simultaneously notify the Commission in writing of any suspension or termination of service under this Section 12.2.

(f) MEP may not take any action under this Section 12.2 which conflicts with any order of the U. S. Bankruptcy Court.

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13. INTERACTIVE WEBSITE

13.1 WEB SITE DESCRIPTION

(a) MEP maintains the Interactive Website, a FERC compliant interactive internet web site which is available for use by Shippers and other interested parties. The web site has both secure and non-secure regions. Information of a general nature is included in the non-secure region while confidential Shipper specific data is accessible only through the secure region, which requires a logon and password. Daily back-up records of information displayed or entered through this web site are archived, and non-secure information is accessible to customers on a non-discriminatory basis. The data is kept for a three (3) Year period, inclusive of both current and archived data.

(1) MEP provides on the Informational Postings portion of its Interactive Website a link to the Gas quality provisions of this Tariff.

(2) MEP provides on the Informational Postings portion of its Interactive Website daily average Gas quality information for prior 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 downloadable format. Information is reported in units as specified in this Tariff. In any event, compliance with Gas quality requirements is in accordance with MEP's Tariff, including these General Terms and Conditions. The following are examples of Gas quality attributes that could be included in the posting for the applicable Day(s) and location(s):

Heating Value
Hydrocarbon Components, % of C1 - Cnn, as used in Determining Heating Value
Specific Gravity
Water
Nitrogen
Carbon Dioxide
Oxygen
Hydrogen
Helium
Total Sulfur
Hydrogen Sulfide
Carbonyl Sulfide
Mercaptans
Mercury and/or any other contaminants being measured
Other pertinent Gas quality information that is specified in MEP's Tariff, including these General Terms and Conditions

(3) Data posted pursuant to the prior paragraph, Section 13.1(a)(2), are made available on MEP's Interactive Website for the most recent three-Month period. Beyond the initial three-Month period, the historical data is made available offline in accordance with regulatory requirements. Such posted data are provided in a tabular downloadable file described by MEP in the posting. The first row of the file contains the column headers. For any location(s), MEP may, at its discretion, elect to provide Gas quality information in addition to that specified in the prior paragraph. MEP may choose how to provide the information.

(b) The non-secure information is primarily comprised of FERC mandated informational postings. MEP may add informational sections to this web site in order to facilitate timely and complete communications with customers. The secure region provides access to Nominations, Flowing Gas/Volume Inquiry data, Invoicing, Contracting and Capacity Release Processing. Logons and passwords required to enter the secure region of the web site may be obtained per the procedures outlined in Section 13.2.

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(1) INFORMATIONAL POSTINGS AND PLANNING TOOLS

The types of information available through the Informational Postings selection of this web site include: (i) all marketing affiliate information, including names and addresses for marketing affiliates; (ii) reports on operationally available capacity, design capacity, unsubscribed capacity and released capacity at Receipt/Delivery Points; (iii) critical notices concerning capacity related issues and non-critical notices, providing relevant contracts and customer information; (iv) the FERC Index of Customers and the FERC Contract Transactional Postings, (v) the Tariff, with search, download and print capabilities; (vi) imbalance volumes available for trading among Shippers as provided in Section 10 hereof and (vii) point catalog.

(2) NOMINATIONS

This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 6 of these General Terms and Conditions.

(3) VOLUME INQUIRY

This feature provides volumetric information on total Gas flows and allocated flows, at a point and contract level and provides contract level imbalance information. The timing for reporting Daily operational allocations after the Gas has flowed is within two (2) hours after the end of the Day. If the best available data for reporting Daily operational allocations is the scheduled quantity, that quantity should be used for the Daily operational allocation. Each Shipper and each other entity involved in a transaction at a Point will be able to see the total flows at the Point and the volumes allocated to or by such Shipper or other entity.

(4) INVOICING

The system allows Shippers to view and download invoices and a statement of account. Additionally, using this component, Shipper can create and submit a payment remittance.

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(5) CONTRACT REQUEST PROCESSING

Using this feature, Shippers can review their existing Agreement information.

(6) CAPACITY RELEASE REQUEST AND BID PROCESSING

This interactive feature allows Shippers to submit Capacity Release Requests and Bids, which, in turn, are automatically posted to this web site as provided in Section 14. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

(c) Unless specifically stated otherwise, all communications with MEP hereunder should be made via the electronic method(s) (Interactive Website, EDI, email) specified in NAESB standards for a particular NAESB document/process or via some other mutually agreeable means.

13.2 ACCESS TO INTERACTIVE WEBSITE

Shippers and other interested parties may obtain access to the Interactive Website by contacting a representative of MEP's Gas Transportation Department in Houston. Logons, passwords and access instructions will be supplied upon request under the following terms and conditions set forth in Sections 13.3 through 13.14.

13.3 AUTHORITY

Users of this web site (Subscribers) shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access this web site shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

13.4 INSTALLATION

Each Subscriber shall purchase and ensure that lawful installation of Internet browser software occurs for each personal computer (PC) from which this web site is accessed.

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13.5 CONFIDENTIALITY

Certain information contained in this web site is proprietary and confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual, or partnership.

13.6 RELIANCE BY MEP

MEP may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through this web site. MEP may correct errors in information entered into this web site by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into this web site.

13.7 ACCESS

Shippers and other interested parties may obtain access to the interactive transactional web pages by contacting a representative of MEP's Electronic Customer Services Department in Houston. The internet address for this web site is http://pipeline.kindermorgan.com. Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), MEP will require the Subscriber to provide a written request and officer level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, MEP will ensure return of a confidential logon code and password within one Business Day.

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13.8 LOGON

A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access this web site on Subscriber's behalf. A Subscriber and its employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access this web site on behalf of the Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon and password made subsequent to issuance of the original logon and password may not be honored without receipt by MEP of additional authorization from Subscriber. Subscriber shall be responsible for and accepts liability for any security breach that is traced to Subscriber's logon and password if the security breach was the result of Shipper's failure to take reasonable precautions to protect security, consistent with Section 24 of these General Terms and Conditions.

13.9 BREACH OF SECURITY

A Subscriber shall promptly notify MEP if there is any indication that a security breach has occurred with regard to Subscriber's logon and password. This includes, but is not limited to: (a) loss of confidentiality of logon and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access this web site by any authorized employee. Such notification shall be made to MEP's Electronic Customer Services Department.

13.10 LIMITATION TO ACCESS

A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 6 of these General Terms and Conditions for information on delegation.

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13.11 LIMITS OF RESPONSIBILITY

Neither MEP nor Shipper shall be responsible for an omission or failure by the other to act or perform any duty requested by a function accessed via this web site if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to MEP's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of MEP or Shipper, as applicable.

13.12 RESERVATION

MEP reserves the right to add, modify or terminate functions of this web site at any time subject to compliance with Commission Regulations.

13.13 AGREEMENT BY NON-SHIPPER

Any Subscriber who is not a Shipper under one of the Rate Schedules in this volume of MEP's FERC Gas Tariff will be required, as a precondition of access to this web site, to sign an agreement with MEP pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

13.14 INDEMNITY

(a) Each Subscriber shall indemnify MEP and hold MEP harmless for all damages, losses, and liabilities arising out of:

(1) Subscriber's or its employees' or agents' breach of any of Subscriber's obligations under this Section 13, including any breach of confidentiality with respect to the assignment of logon(s) and passwords(s) to Subscriber's authorized employees and agents and any unauthorized use by a formerly authorized person or by any unauthorized person who gained knowledge of Subscriber's logon(s) and password(s) through no fault of MEP; and

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(2) any omission or failure by Subscriber's employees or agents to act or perform any duty required by an interactive website function.

(b) Notwithstanding Sections (a)(1) and (a)(2) above, neither MEP nor Subscriber shall be liable to the other if an unauthorized user gains access to MEP's Interactive Website through no fault of either MEP or Subscriber, consistent with Section 24 of these General Terms and Conditions.

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14. CAPACITY RELEASE BY FIRM SHIPPERS

14.1 GENERAL

(a) Subject to the terms, conditions and limitations set forth in this Section 14, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 14, to receive a credit for reservation charge revenues received by MEP from that other Shipper for such released capacity.

(b) The deadlines set forth in this Section 14 are applicable to all parties involved in the capacity release process; however, they are only applicable if all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, and there are no special terms or conditions of the release.

(c) Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 14:

(1) For biddable releases (less than one (1) Year):

(i) The Capacity Release Request should be tendered by no later than 12:00 p.m. Central Clock Time on a Business Day;

(ii) The open season ends no later than 1:00 p.m. Central Clock Time on a Business Day (evaluation period begins at 1:00 p.m. Central Clock Time during which contingency is eliminated, determination of winning Qualified Bid(s) is made, and ties are broken);

(iii) Evaluation period ends and award posting if no match required at 2:00 p.m. Central Clock Time;

(iv) Match or award is communicated by 2:00 p.m. Central Clock Time;

(v) Match response by 2:30 p.m. Central Clock Time;

(vi) Award posting where match required by 3:00 p.m. Central Clock Time;

(vii) Contract issued within one (1) hour of award posting (with new contract number when applicable), nomination possible beginning at the next available nomination cycle for the effective date of the contract, consistent with Section 14.9(d) hereof (nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit).

(2) For biddable releases (one (1) Year or more):

(i) The Capacity Release Request should be tendered by no later than 12:00 p.m. Central Clock Time four (4) Business Days before the award;

(ii) The open season ends no later than 1:00 p.m. Central Clock Time on the Business Day before timely nominations are due (open season is three Business Days);

(iii) Evaluation period begins at 1:00 p.m. Central Clock Time during which contingency is eliminated, determination of best bid is made, and ties are broken;

(iv) Evaluation period ends and award posting if no match required at 2:00 p.m. Central Clock Time;

(v) Match or award is communicated by 2:00 p.m. Central Clock Time;

(vi) Match response by 2:30 p.m. Central Clock Time;

(vii) Award posting where match required by 3:00 p.m. Central Clock Time;

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(viii) Contract issued within one (1) hour of award posting (with new contract number when applicable), nomination possible beginning at the next available nomination cycle, for the effective date of the contract, consistent with Section 14.9(d) hereof (nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit).

(3) For prearranged releases not requiring bidding under this Section 14.

(i) For the Timely Cycle, postings 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).

(ii) For the Evening Cycle, postings 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).

(iii) For the Intra-Day 1 Cycle, postings 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).

(iv) For the Intra-Day 2 Cycle, postings 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) (1) MEP will not award capacity release offers to a Shipper until and unless the Shipper meets MEP's creditworthiness requirements applicable to all services that it receives from MEP, including the service represented by the capacity release.

(2) MEP shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by MEP to the Releasing Shipper's Replacement Shipper(s), of the following:

(i) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to MEP's tariff;

(ii) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;

(iii) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and

(iv) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to MEP's tariff.

14.2 DEFINITIONS

(a) BID VALUE

The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 14.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

(b) CAPACITY RELEASE REQUEST

The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 14.

(c) ELIGIBLE FIRM TRANSPORTATION AGREEMENT

A transportation Agreement under Rate Schedule FTS.

(d) MAXIMUM BID VOLUME

The maximum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

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(e) MINIMUM BID VOLUME

The minimum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(f) ORIGINAL SHIPPER

The entity who is the Shipper under an Eligible Firm Transportation Agreement (other than through a capacity release).

(g) PREARRANGED RELEASE

The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 14.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 14.

(i) A Prearranged Release between a Releasing Shipper and an Asset Manager as that term is defined in 18 C.F.R. Section 284.8(h)(3), shall be defined for purposes of this Section 14, as a "Prearranged Asset Manager Release".

(ii) A Prearranged Release between a Releasing Shipper and a Marketer Participating in a State-Regulated Retail Access Program, as that term is defined in 18 C.F.R. Section 284.8(h)(4), shall be defined for purposes of this Section 14, as a "Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program".

(iii) A Prearranged Asset Manager Release and a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program are exempt from the Open Season Requirements set forth in this Section 14.

(h) PREARRANGED SHIPPER

A person or entity prequalified under Section 14.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

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(i) QUALIFIED BID

A binding bid prequalified under Section 14.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 14.

(j) QUALIFIED BIDDER

Any person or entity prequalified under Section 14.15 who bids for capacity rights being released under this Section 14, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

(k) RELEASED FIRM TRANSPORTATION AGREEMENT

The agreement between MEP and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 14.

(l) RELEASING SHIPPER

Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 14.

(m) REPLACEMENT SHIPPER

A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 14.

(n) SHORT-TERM PREARRANGED RELEASE

A Prearranged Release with a term of thirty-one (31) days or less that is not for the maximum reservation charge.

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(o) SUBREPLACEMENT SHIPPER

A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 14.

(p) UNIT BID VALUE

The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 14.10.

(q) WINNING BID VALUE

The highest total Bid Value under Section 14.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 14.

14.3 RELEASE WITHOUT A PREARRANGED SHIPPER

A Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights without a Prearranged Shipper shall deliver a Capacity Release Request to MEP's Interactive Website (or in writing for posting on MEP's Interactive Website if MEP's Interactive Website is unavailable for receiving Capacity Release Requests) which sets forth:

(a) The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;

(b) The quantity of the capacity (in Dth per Day) and the transportation path(s) [or segment(s) thereof] being released, including identification by MEP's PIN Number of the Receipt Points, Delivery Points defining the release path/segment and the firm capacity to be released at each such point;

(c) Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 14.5 and 14.14);

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(d) The proposed effective date and proposed term of the release;

(e) Whether the Releasing Shipper wants MEP to actively market the Releasing Shipper's capacity rights pursuant to Section 15 of these General Terms and Conditions;

(f) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(g) The starting date for the open season and the length of time for the open season (which must conform to Section 14.7);

(h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(i) Which of the bid evaluation procedures set forth in Section 14.10 the Shipper wishes to use, if any;

(j) Whether the Qualified Bids are to specify dollars and cents and/or percentage of the maximum tariff rate, or an index based formula as detailed in the Capacity Release Request;

(k) Under a release of storage capacity, whether the capacity being released is subject to certain conditions on the sale and/or repurchase of gas in storage inventory and on there being a certain amount of gas left in storage at the end of the release and if so, any such conditions; and

(l) Any other applicable conditions (which must conform to Section 14.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 14.10 for evaluating Qualified Bids for its capacity rights,

and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 14.5(a).

14.4 PREARRANGED RELEASE

Subject to Section 14.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to MEP's Interactive Website or via EDI at MEP's designated site for an open season. The Capacity Release Request shall set forth:

(a) The Releasing Shipper's legal name, address and phone number, the Prearranged Shipper's legal name, and where applicable, identification of the Prearranged Replacement Shipper as an "Asset Manager" as that term is defined in 18 C.F.R. 284.8(h)(3) or a "Marketer Participating in a State-Regulated Retail Access Program" (as that term is defined in 18 C.F.R. 284.8(h)(4)), address, phone number, and telefax number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individuals at the Releasing Shipper and the Prearranged Shipper responsible for authorizing the capacity release;

(b) A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 14 by MEP and to execute a Released Firm Transportation Agreement, which consists of MEP's standard form of FTS Agreement and the terms and conditions of the Prearranged Release, in accordance with MEP's Tariff. Such statement shall also set forth:

(1) The quantity of the capacity (in Dth per Day) and the transportation path(s) [or segment(s) thereof] being released, including identification by MEP's PIN Number (or Common Code) of the Receipt Points, Delivery Points defining the released path/segment and the firm capacity to be released at each such point;

(2) The fixed reservation charge and/or volumetric charge the Prearranged Shipper has agreed to pay for the released capacity;

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(3) Whether the capacity being released is subject to recall and/or reput in the Prearranged Release and, if so, the exact conditions of such recall and/or reput (which conditions must conform with Sections 14.5 and 14.14); and

(4) The proposed effective date of the Prearranged Release and the proposed term of the Prearranged Release.

(c) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(d) Whether the Releasing Shipper will accept Qualified Bids with longer terms or larger volumes, and if so, what is the maximum volume and the longest term the Releasing Shipper will accept;

(e) Whether the Releasing Shipper wants MEP to actively market its capacity rights subject to the Prearranged Release pursuant to Section 15 of these General Terms and Conditions;

(f) The starting date for and the length of time for the open season (which must conform to Section 14.7) and the length of time [consistent with Section 14.9(b)] for the Prearranged Shipper to be able to match a winning Qualified Bid;

(g) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(h) Which of the bid evaluation procedures set forth in Section 14.10 the Shipper wishes to use, if any;

(i) Whether the Qualified Bids are to specify dollars and cents and/or percentage of the maximum tariff rate or an index-based formula as detailed in the Capacity Release Request;

(j) Under a release of storage capacity, whether the capacity being released is subject to certain conditions on the sale and/or repurchase of gas in storage inventory and on there being a certain amount of gas left in storage at the end of the release and if so, any such conditions;

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(k) Whether the release is a Prearranged Asset Manager Release as defined in Section 14.2(g)(i) hereof, and the Asset Manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper;

(l) Whether the release is a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 14. 2(g)(ii) hereof; and

(m) Any other applicable conditions (which must conform with Section 14.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 14.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 14.5(a).

14.5 CAPACITY RELEASE REQUIREMENTS

(a) All terms and conditions relating to a release which is the subject of a Capacity Release Request: (1) must be nondiscriminatory and applicable to all potential bidders; (2) must be made available to MEP for posting; (3) must relate solely to the details of acquiring or maintaining the transportation capacity rights on MEP, which are the subject of the release; and (4) must not place any obligations or burdens on MEP in addition to the terms and conditions applicable to a capacity release under this Section 14 which are specified in MEP's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from MEP's bid evaluation procedure set forth in Sections 14.10(b) through 14.10(e) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on the Public Information portion of MEP's Interactive Website. MEP may require the Releasing Shipper to submit a working computer program to MEP in diskette form which is compatible with MEP's Interactive website computer which will enable MEP to make such alternative bid evaluation entirely through MEP's Interactive Website, prior to the time any alternative bid evaluation procedure is requested, if such bid evaluation procedure is not based on (1) highest rate; (2) net revenue; or (3) present value as determined in Sections 14.10(b)(1)

through 14.10(b)(3) (collectively referred to as "Acceptable Alternative Bid Evaluation Procedure") and the remaining procedures set forth in Sections 14.10(c) and 14.10(d). If the Releasing Shipper elects a bid evaluation procedure that differs from MEP's bid evaluation procedure or the Acceptable Alternative Bid Evaluation Procedure and the remaining procedures set forth in Sections 14.10(c) and 14.10(d), MEP shall not be held to the subsequent deadlines set forth in this Section 14, but MEP shall make a reasonable attempt to adhere to such deadlines. MEP shall publish standards relating to such computer diskettes, but it is the responsibility of the Releasing Shipper to develop and provide the working computer diskette. The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

(b) The term of any release of capacity sought under this Section 14 shall be at least one full Day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

(c) The quantity sought to be released under a Capacity Release Request shall not be less than the minimum quantity required for the Eligible Firm Transportation Agreement under MEP's Tariff.

(d) (1) No capacity release under this Section 14 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. Segmented releases are subject to Section 6.13 of these General Terms and Conditions. Without limitation of the prior sentence, Leased Capacity may not be segmented. If the capacity release is for a segment permitted under said Section 6.13, then a break point must be designated. The break point must be a physical location on the primary path of the Original Shipper's Agreement.

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(2) Except in the case of a permanent release, Replacement Shipper or Subreplacement Shipper shall have the right to change the primary Receipt or Delivery Points listed in the Eligible Firm Transportation Agreement, unless the Original Shipper and MEP agree to amend the Eligible Firm Transportation Agreement to accordingly change the primary points. Point designations for segmented released are governed by Section 6.13 of these General Terms and Conditions.

(3) (i) The maximum rates that may be bid and charged for a Released Firm Transportation Agreement that is for a term greater than one (1) year are the higher of the maximum lawful rates applicable to the Eligible Firm Transportation Agreement held by the Original Shipper or the Negotiated Rate (or rate under a Negotiated Rate Formula) being paid by the Releasing Shipper. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of such rate or the applicable Recourse Rate. A qualified Bidder may bid a rate form which would be a Negotiated Rate or Negotiated Rate Formula if and only if the rate form is one explicitly recognized in MEP's Tariff as available for capacity releases (such as volumetric rates). Notwithstanding the foregoing, a release of Leased Capacity may not be at a rate which exceeds the Leased Capacity Charges in effect from time to time.

(ii) There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which MEP is notified of the release.

(4) Unless otherwise agreed, in no event shall any Negotiated Rate (or rate under a Negotiated Rate Formula) which is less than the Recourse Rate apply to overrun quantities.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of MEP's Tariff, including Section 14.14 of these General Terms and Conditions.

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(f) (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 14 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid.

(2) Request shall be binding until written or electronic notice of withdrawal is received by MEP.

(3) Notice of a withdrawal of a Capacity Release Request must be delivered to MEP's Interactive Website or via EDI no later than the end of the open season for the Capacity Release Request.

(g) A Replacement Shipper or Subreplacement Shipper may in turn release the capacity it obtains under the provisions of this Section 14 (except as prohibited by the Federal Energy Regulatory Commission Regulations).

(h) Any Capacity Release Request not in compliance with this Section 14.5 and the other provisions of MEP's Tariff shall be null and void and, even if posted, may be removed from MEP's Interactive Website by MEP at any time.

14.6 OPEN SEASON EXCEPTIONS

An open season is not required for: (a) a Prearranged Release for more than one (1) year at the higher of the maximum reservation charge or the Negotiated Rate (or rate under a Negotiated Rate Formula) applicable to the capacity being released, (b) a Short-term Prearranged Release, (c) a Prearranged Asset Manager Release, as defined in Section 14.2(g)(i) hereof or (d) a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 14.2(g)(ii) hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 14.4(a) and 14.4(b). Such Capacity Release Request must be delivered to MEP's Interactive Website (or in writing for posting on MEP's Interactive Website if MEP's Interactive Website is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective

under Section 14.9 before the release transaction is to commence. A Releasing Shipper may not rollover, extend or in any way continue a Short-term Prearranged Release exempt from bidding under subsection (b) hereof with the same Replacement or Sub-replacement Shipper until twenty-eight (28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 14.3 and 14.4, or the re-release qualifies for any of the other exemptions from bidding, referenced in subsections (a), (c) or (d) hereof.

14.7 POSTINGS; OPEN SEASON

(a) A Capacity Release Request received by MEP via EDI (which is applicable only for Prearranged Capacity Release Request) or through the Interactive Website prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with this Section 14 shall be posted on the Informational Postings portion of MEP's Interactive Website as requested. The posting shall contain the information contained in the Capacity Release Request, except that the minimum price in any minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request, the beginning and ending time for the open season and the time the notice was posted. MEP shall post the Capacity Release Request upon receipt, unless the Releasing Shipper requests otherwise. If the Releasing Shipper requests a posting time, MEP will comply with that request as long as it comports with the deadlines set forth in this Section 14.

(b) An open season shall consist of: (1) a one (1) hour period on a Business Day between 12:00 p.m. and 1:00 p.m. Central Clock Time or (2) any number (no fractions) of Business Days running from 12:00 p.m. Central Clock Time on a Business Day to 1:00 p.m. Central Clock Time on the following Business Day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any capacity release for a period of one (1) Year or longer must have an open season of at least three (3) Business Days, each running from 12:00 p.m. Central Clock Time on a Business Day to 1:00 p.m. Central Clock Time two (2) Business Days later.

(c) A Releasing Shipper may not specify an extension of an open season or the match period for a Prearranged Release. Rather, the Releasing Shipper must submit a new Capacity Release Request.

14.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

(a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid to MEP's Interactive Website (or in writing for posting on MEP's Interactive Website if MEP's Interactive Website is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 14.15, each Qualified Bid must include the following:

(1) The Qualified Bidder's legal name, address, phone number, telefax number, the name and title of the individual responsible for authorizing the Qualified Bid and identification of the capacity rights for which the Qualified Bid is made;

(2) The term for the purchase;

(3) A Minimum Bid Volume and a Maximum Bid Volume (in Dth per Day);

(4) The fixed reservation charge and/or volumetric charge that the Qualified Bidder agrees to pay for the capacity (and if a volumetric charge, any minimum amount to be billed as a reservation charge, which must be equal to or greater than any such amount designated by the Releasing Shipper);

(5) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in Section 14. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and

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(6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by MEP pursuant to this Section 14 to the Qualified Bidder, including MEP's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with MEP's Tariff.

(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under MEP's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 14.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ and/or Point MDQ, unless the Capacity Release Request specifically allows otherwise.

(c) Except as provided herein, for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed MEP's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of: (i) the rate under the Negotiated Rate or Negotiated Rate Formula in the Releasing Shipper's contract; or (ii) the applicable Recourse Rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity. Notwithstanding the foregoing, a release of Leased Capacity may not be at a rate which exceeds the Leased Capacity Charges in effect from time to time.

(d) All Qualified Bids shall provide for payment of maximum commodity charges under MEP's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under MEP's Tariff, such as, but not limited to, ACA, Fuel Gas and Unaccounted For Gas.

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(e) A Qualified Bid received by MEP during an open season shall be posted by MEP on its Interactive Website system, without the name of the Qualified Bidder. A Qualified Bid may be withdrawn by the Qualified Bidder prior to the close of the open season, but may not be withdrawn thereafter. Following such withdrawal, the Qualified Bidder cannot bid for the same capacity during the open season at a lower rate.

(f) All Qualified Bids must be consistent with all provisions of MEP's Tariff. Any Qualified Bid inconsistent with MEP's Tariff or the applicable Capacity Release Request shall be null and void.

14.9 AWARDING OF RELEASED CAPACITY; EFFECTIVE DATE; GAS NOMINATIONS

(a) For a Prearranged Release for which no open season is required under Section 14.6 and which is received at least one (1) hour prior to a nomination deadline on a Day, MEP shall award the capacity to the Prearranged Shipper within one (1) hour after release notification, provided that all applicable provisions of this Section 14 have been complied with.

(b) As to any other Prearranged Release, in the event there was no winning Qualified Bid(s) with a higher total Bid Value than the Prearranged Shipper's Bid Value, MEP shall notify the Prearranged Shipper. If, during an open season, the winning Qualified Bid(s) have a higher total Bid Value than the Bid Value of the Prearranged Release under the bid valuation procedure selected by the Releasing Shipper, MEP shall notify the Prearranged Shipper of the terms and conditions of the winning Qualified Bid(s), except for any identification of the Qualified Bidder(s). The Prearranged Shipper may elect to match any or all of such winning Qualified Bid(s), but may not elect to match only a portion of a winning Qualified Bid. Such election shall consist of the Prearranged Shipper submitting notice to MEP of its unconditional agreement to the terms and conditions of one or more of such winning Qualified Bid(s) in writing or electronic means. In the event of a timely match, then the Prearranged Shipper shall be awarded the released capacity. To the extent that the Prearranged Shipper fails to timely match (within the required time frame) the winning Qualified Bid(s) with a higher Bid Value, then the Qualified Bidder(s) who made the winning Qualified Bid shall be awarded the capacity. The timelines for the above actions shall be as provided in Section 14.1 of these General Terms and Conditions.

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(c) For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when MEP has identified the entity(s) to receive the released capacity under this Section 14.

(d) A capacity release shall become effective upon the awarding of capacity consistent with this Section 14. Nominations for Gas service utilizing the released capacity shall be accepted at the next available nomination opportunity which occurs on or after the time the release becomes effective hereunder, consistent with 18 C.F.R. Section 284.12(c)(1)(ii); provided that nominations cannot be effectuated prior to the beginning time specified in the release. MEP shall issue a contract to the winning Qualified Bidder within one (1) hour after the capacity has been awarded. So long as the winning bidder has pre-approved credit, that bidder can submit a nomination consistent with the above regardless of whether a contract with MEP covering the capacity awarded has been issued or executed; provided, however, that a contract must be executed under the provisions of the relevant rate schedule regarding timely execution of a contract tendered by MEP in order for a Shipper to have continued service beyond the maximum time specified for timely contract execution. If the Releasing Shipper has already submitted a nomination on a Day under the Agreement being released, and if the Replacement Agreement covering the released capacity is effective that same Day, the Releasing Shipper may incur overrun charges if his nomination exceeds the reduced contractual parameters under the original Agreement resulting from the release (i.e., if the Releasing Shipper fails to reduce its nomination, or does not adequately reduce its nomination, at the first opportunity the Replacement Shipper has to nominate).

(e) Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 6 of these General Terms and Conditions. Gas nominations by a Shipper utilizing released capacity awarded by MEP shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by MEP pursuant to this Section 14, including MEP's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with MEP's Tariff.

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(f) Subject to the other provisions in this Section 14, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

14.10 BID EVALUATION PROCEDURE

(a) Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 14.10(b) through 14.10(h) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. Central Clock Time following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

(b) MEP shall calculate a Bid Value and Unit Bid Value for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:

(1) For each Month, the volume and reservation charge per Dth stated in the Qualified Bid shall be multiplied together to derive a gross Monthly revenue figure. If the Qualified Bids contain volumetric-based charges permitted by the Capacity Release Request, then the gross Monthly revenue figure shall be equal to any minimum amount designated by the bidder to be billed as a reservation charge even if there is no (or insufficient) flow.

(2) Each gross Monthly revenue figure shall be discounted to a net present value figure as of the first Day of the capacity release as sought in the Capacity Release Request, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d)(1).

(3) The net present value figures for the proposed release shall be summed, and such sum shall be the Bid Value.

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(c) Capacity shall be awarded among the bids, best bid first (highest Bid Value or other evaluation criteria as specified by the Shipper in the Capacity Release Offer), until all offered capacity is awarded. The best qualified bid will be awarded its Maximum Bid Volume and any subsequent bids will be awarded up to their Maximum Bid Volume but no less than their Minimum Bid Volume.

(d) In the event ties exist among Qualified Bids, the Qualified Bid submitted and received earliest by MEP's Interactive Web Site (or if MEP's Interactive Web Site is not available and the Qualified Bid is submitted in writing, the time MEP received the Qualified Bid) shall be the winning bid.

(e) The following are examples of how (c) and (d) are applied:

EXAMPLE (1) - Awarding by Best Bid

Assume: Capacity Release = 100,000/Day for 5 Years

Qualified Bids:

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	40,000/Day	5 Years	$.18	0
Bid (b)	40,000/Day	5 Years	$.17	0
Bid (c)	40,000/Day	5 Years	$.15	0

Winning Qualified Bids: Bid (a) has the highest Bid Value and would be awarded 40,000; Bid (b) has the next highest Bid Value and would be awarded 40,000; Bid (c) would be awarded the remainder of the capacity (20,000).

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Example (2) - Awarding with Minimum Bid Volumes

The assumptions remain the same as in Example 1, except that we assume that Bid (c) has a minimum Bid Volume of 40,000.

Winning Qualified Bids: Bids (a) and (b) would be allocated their maximum Bid Volume of 40,000 each. Bid (c) would not be awarded any capacity since its Minimum Bid Volume is 40,000. 20,000 would remain with the Releasing Shipper.

EXAMPLE (3) - Awarding using the tie-breaker

Assume: Capacity Release = 100,000/Day for 5 Years

Qualified Bids:

	Maximum Bid Volume	Term	Bid Price	Minimum Bid Volume	Time Bid Received
Bid (a)	60,000/Day	5 Years	$.18	0	13:57:40
Bid (b)	50,000/Day	5 Years	$.17	50,000	13:55:05
Bid (c)	35,000/Day	5 Years	$.17	0	13:56:40
Bid (d)	35,000/Day	5 Years	$.17	0	13:56:30

Winning Qualified Bid (a) receives 60,000 since it has the highest Bid Value; Bid (b) receives 0 because of its Minimum Bid Volumes; Bid (c) receives 5,000 because the bid was submitted after Bid (d); Bid (d) receives 35,000.

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(f) In no event shall this Section 14.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release Request.

(g) The bid evaluation procedure set forth in this Section 14.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on a percentage of MEP's reservation charge shall be evaluated by MEP based solely on the maximum reservation charge being charged by MEP for such service as of the end of the open season.

(h) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 14.10, which procedure must comply with Section 14.5, MEP shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 14.5(a).

14.11 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of capacity under this Section 14 is posted, MEP shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to MEP awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

14.12 COMPLETED TRANSACTIONS

By 5:00 p.m. Central Clock Time after capacity has been awarded, MEP shall post on the Informational Postings portion of its Interactive Website the name(s) of the winning Qualified Bidder(s), identification of the winning Qualified Bid(s) and any minimum bid conditions held confidential during the open season. The Releasing Shipper is responsible for reviewing the Qualified Bids to ensure that the released capacity was correctly awarded. The Releasing Shipper shall notify MEP of any error in the award of capacity within one Business Day after such posting on MEP's Interactive Website. In the event of an error, the capacity shall be re-awarded by MEP. As between MEP and the Releasing Shipper, the Releasing Shipper shall

indemnify and hold MEP harmless as to any costs, damages or expenses relating to the bid evaluation procedure for which timely notice of an error was not provided to MEP by the Releasing Shipper hereunder, except in circumstances where the error results from MEP has not having satisfied the standard of care in Section 24 of these General Terms and Conditions. MEP shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

14.13 BILLING

(a) MEP shall bill the Replacement Shippers and the Subreplacement Shippers the rate(s) specified in the Released Firm Transportation Agreements and any other applicable charges and each such Replacement Shipper and Subreplacement Shipper shall pay the billed amounts directly to MEP. MEP shall not be responsible for billing the Replacement Shipper for any amounts attributable to gas purchase or gas inventory volumes tied to a transportation or storage capacity release. Such charges shall be between the Releasing Shipper and Replacement Shipper. MEP shall have the right to discount the commodity rates under the Released Firm Transportation Agreement. MEP will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations of the Federal Energy Regulatory Commission.

(b) A Releasing Shipper shall be billed the reservation charge associated with the entire amount of released capacity pursuant to its contract rate, which includes all non-commodity based charges under MEP's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 15 of these General Terms and Conditions. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (1) commodity charges; (2) cashouts of imbalances; and (3) add-on charges and surcharges applicable to MEP's commodity rates under MEP's Tariff such as ACA, Fuel Gas and Unaccounted For Gas, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.

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(c) If a Replacement Shipper or Subreplacement Shipper does not make payment to MEP of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, MEP shall bill the Releasing Shipper(s) from whom such Replacement or Subreplacement Shipper received the capacity for the amount(s) due, including all applicable late charges authorized by MEP's Tariff, and such amount shall be paid by such Releasing Shipper within ten (10) days of the receipt of such billing, or interest shall continue to accrue. In the event that the Replacement or Subreplacement Shipper has not paid such amount(s) due by the end of such ten (10) day period, then: (1) the Releasing Shipper has the right to recall the capacity; and (2) MEP's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. MEP shall make a reasonable effort to collect from the Replacement/ Subreplacement Shipper the amount(s) due. Such reasonable effort shall not include incurring costs from outside attorneys, collection agents or other third parties.

(d) All payments received from a Replacement or Subreplacement Shipper shall first be applied to reservation charges, then to late charges on reservation charges, then to cashout amounts, then to late charges not on the reservation charges, and then last to commodity-based charges. Except as may otherwise be provided pursuant to Section 30.4 of these General Terms and Conditions, payments by Replacement or Subreplacement Shippers in excess of the total amount(s) due for the Released Firm Transportation Agreement capacity shall be a credit applied to any outstanding balance owed under any contract with MEP, or a refund if requested in writing and no such outstanding balance exists.

(e) Refunds Due Under Releases Greater Than One (1) Year

If MEP is obligated to refund any amounts attributable to reservation charges for capacity which has been released, MEP shall make the applicable refund to the Replacement Shipper to the extent that MEP has actually received reservation charge amounts from the Replacement Shipper in excess of the amounts assessable under the revised maximum reservation charge rates (which amounts are credited to the account of the Releasing Shipper under Section 14.13(d) above). Except as may otherwise be provided

pursuant to Section 30.4 of these General Terms and Conditions, MEP shall make a corresponding adjustment to the capacity release credit provided to the Releasing Shipper, and may reflect the reduced capacity release credit in a lower refund or adjusted billings to the Releasing Shipper. Any other applicable reservation charge refunds shall go to the Releasing Shipper. Except as may otherwise be provided pursuant to Section 30.4 of these General Terms and Conditions, commodity rate refunds shall go to the party which paid the commodity charge.

(f) Refunds Due Under Releases One (1) Year or Less

If MEP is obligated to refund any amounts attributable to reservation charges for capacity which has been released above the maximum rate for one year or less, MEP shall make the applicable refund to the Releasing Shipper notwithstanding the amount that MEP has actually received from the Replacement Shipper (which amounts are credited to the account of the Releasing Shipper under Section 14.13(d) above). MEP shall reflect the same credit from the Replacement Shipper but shall adjust its billing to the Releasing Shipper to reflect the revised maximum reservation rates. Except as may otherwise be provided pursuant to Section 30.4 of these General Terms and Conditions, commodity rate refunds shall go to the party which paid the commodity charge.

14.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS

(a) RECALLING CAPACITY - GENERAL

MEP supports the ability of a Releasing Shipper to specify as a condition of a capacity release offer which recall notification periods as set out below will be available for use by the parties to the release and whether recall notices must be provided on a Business Day. All Replacement and Subreplacement Shippers shall nominate and schedule Gas for service hereunder directly with MEP in accordance with the applicable procedures set forth in Section 6 of these General Terms and Conditions. In order for any capacity recall or capacity reput to be effective for a Day, a Releasing Shipper must give prior notice of such recall or reput and any allocation of the capacity for a partial recall or reput to MEP.

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(b) RECALL NOMINATION TIMELINE

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at any of the Daily nomination cycles consistent with the following (notice of the allocation of capacity between the Releasing Shipper and the Replacement Shipper hereunder is intended to be provided in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions and thereby avoid penalties):

(1) TIMELY RECALL NOTIFICATION

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MEP and to the first Replacement Shipper no later than 8:00 a.m. on the Day that Timely Nominations are due;

(ii) MEP shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the Day that Timely Nominations are due (Central Clock Time);

(2) EARLY EVENING RECALL NOTIFICATION

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MEP and to the first Replacement Shipper no later than 3:00 p.m. on the Day that Evening Nominations are due;

(ii) MEP shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the Day that Evening Nominations are due (Central Clock Time);

(3) EVENING RECALL NOTIFICATION

(i) Releasing Shipper recalling capacity must provide notice of such recall to MEP and to the first Replacement Shipper no later than 5:00 p.m. on the Day that Evening Nominations are due;

(ii) MEP shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the Day that Evening Nominations are due (Central Clock time);

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(4) INTRA-DAY 1 RECALL NOTIFICATION

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MEP and to the first Replacement Shipper no later than 7:00 a.m. on the Day that Intra-Day 1 Nominations are due;

(ii) MEP shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the Day that Intra-Day 1 Nominations are due (Central Clock time); and

(5) INTRA-DAY 2 RECALL NOTIFICATION

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MEP and to the first Replacement Shipper no later than 2:30 p.m. on the Day that Intra-Day 2 Nominations are due;

(ii) MEP shall provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the Day that Intra-Day 2 Nominations are due (Central Clock time).

(6) OTHER

For recall notifications provided to MEP prior to the recall notification deadline specified in (1)-(5) of this Section 14.14(b) and received by MEP between 7:00 a.m. and 5:00 p.m., MEP shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notifications provided to MEP after 5:00 p.m. and prior to 7:00 a.m., MEP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification (Central Clock Time).

(c) METHODS OF NOTIFICATION

(1) The Replacement Shipper is to provide MEP with no more than two Internet E-mail addresses to be used for recall notification under Section 14.14(b) of these General Terms and Conditions. The obligation of MEP to provide notification is waived until at least one of the addresses has been provided. When MEP sends Internet E-mail notification for recalling of capacity to each

affected Replacement Shipper, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Recall", (2) the recall notification period, (3) the Effected Date in YYYYMMDD format, (4) MEP's name or abbreviation (excluding commas), and (5) MEP's D-U-N-S number. The body of such E-mail notification is to contain at least the affected Replacement Shipper's Contract Number, the quantity of capacity being recalled, and the Offer Number or Award Number, if necessary to uniquely identify the capacity being recalled. For recalls that are effective at non-standard times, the appropriate recall notification period is to be included in the subject line and the effective time of the recall is to be in the body of the E-mail. If MEP allows capacity recall notification mechanisms in addition to Internet E-mail, the notification is to include at least the same level of information. Affected Replacement Shippers are to manage internal distribution of notifications of recall received from MEP.

(2) The Releasing Shipper shall provide capacity recall notification to MEP through MEP's Interactive Website. The Releasing Shipper shall provide notice to its affected Replacement Shipper at the same time it provides notification to MEP. The recall notification must specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled. The mode of notification is to be mutually agreed upon between the Releasing and the Replacement Shipper.

(3) All recalled capacity notices must indicate whether penalties will apply for the Day for which quantities are reduced due to a capacity recall.

(d) QUANTITY ALLOCATION

In the event of an Intra-Day capacity recall, MEP shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). In any recall notification provided to MEP, the quantity should be expressed in terms of the adjusted total released capacity entitlements based upon EPC. EPC means that portion of the capacity that would have theoretically been available for use prior to the effective time of the Intra-Day recall based upon a cumulative uniform hourly use of the capacity. The amount of the capacity allocated to the Replacement Shippers(s) should equal the original

released capacity less the recalled capacity that is adjusted based upon the EPC. MEP shall not be obligated to deliver in excess of the total MDQ of the release as a result of any recall. The service flexibility available to either the Releasing Shipper or the Replacement Shipper for the subject capacity shall not be less as a result of the recall.

(e) REPUTS

When capacity is recalled, it may not be reput for the same Day.

(f) DISPUTES

In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall or reput, or the status of the holder of the capacity rights, MEP shall be entitled to conclusively rely on any notice provided by the Releasing Shipper. The Original Shipper, Replacement Shipper and/or Subreplacement Shipper involved in any such dispute shall indemnify and hold MEP harmless from any costs, damages or expenses relating to MEP's reliance on such notice.

14.15 QUALIFICATION FOR PARTICIPATION IN THE CAPACITY RELEASE PROGRAM

(a) Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements in Section 12.1(a) of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 14. A person cannot bid for services which exceed its pre-qualified level of credit-worthiness. MEP shall process--and encourages--applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.

(b) Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in Section 12.1(a) of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter of credit, security interest or guarantee satisfactory to MEP as further set forth in Section 12.1(b) of these General Terms and Conditions.

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(c) Based on MEP's continuing review of a Shipper's financial records, MEP shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term, subject to Section 12.2 of these General Terms and Conditions.

(d) MEP's determination of a Shipper's creditworthiness is solely for MEP's purposes under MEP's Tariff and such determination is neither a representation nor a guarantee to a Releasing Shipper or any other entity as to the ability of a Replacement or Subreplacement Shipper to pay any outstanding amount under a Released Firm Transportation Agreement.

14.16 COMPLIANCE BY SHIPPER

By acquiring released capacity, a Shipper agrees that it will comply with all provisions of MEP's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to MEP for compliance with all applicable terms and conditions of MEP's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

14.17 OBLIGATIONS OF RELEASING SHIPPER

(a) The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with MEP. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with MEP effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is reput to the Replacement or Subreplacement Shipper, in accordance with this Section 14.

(b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 14, except as provided in Section 14.18 of these General Terms and Conditions.

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14.18 DISCHARGE OF RELEASING SHIPPER IN PERMANENT RELEASES

(a) In the event that a Released Firm Transportation Agreement covers the remaining term of the Eligible Firm Transportation Agreement at the higher of either (i) the applicable maximum rate under a release for more than one (1) year, (ii) a rate in excess of any applicable maximum rate under a release for one (1) year or less, or (iii) any applicable Negotiated Rate or Negotiated Rate Formula, then the Original Shipper may request in writing that the Original Shippers' rights and obligations under the Eligible Firm Transportation Agreement shall be prospectively assigned to, and be assumed by, the Replacement Shipper. Following such request, in order to effectuate the permanent release, the following conditions must be satisfied: (1) the Replacement Shipper must demonstrate compliance with the creditworthiness standards set forth in Section 12 hereof; and (2) MEP must be financially indifferent to the release in order to consent to such release. Once these conditions have been satisfied, MEP shall send the Original Shipper and Replacement Shipper an assignment agreement to so provide. In the event that the Original Shipper and the Replacement Shipper both execute such an assignment agreement, the Original Shipper shall be released from all liability under the Eligible Firm Transportation Agreement arising after such execution date.

(b) MEP shall agree to an assignment where the released Firm Transportation Agreement covers the remaining term of the Eligible Firm Transportation Agreement but specifies a lower rate than specified in subsection (a) above. In such a case, the Releasing Shipper shall remain liable and responsible for the payment of all reservation charges applicable to the Agreement unless and until the following conditions have been met:

(i) The Capacity Release shall be for the remaining term of the Agreement;

(ii) The Replacement Shipper shall agree to pay a rate equal to or greater than the reservation rate which the Releasing Shipper paid under the Agreement (or such other rate as MEP shall agree to accept); and

(iii) The Replacement Shipper shall meet the creditworthy standards set forth in Section 12 of the General Terms and Conditions of MEP's Tariff and MEP must be financially indifferent to the release in order to consent to such release.

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(c) Once the conditions in subsections (a) or (b) are met, upon written request by the Releasing Shipper and consent by MEP, the Releasing Shipper shall be discharged from its obligation assumed by the Replacement Shipper.

14.19 CONVERSIONS BETWEEN MONTHLY AND DAILY RESERVATION RATES

For less than maximum rate transactions only, converting the Daily rate to a Monthly rate is accomplished by multiplying the Daily rate times the number of Days in the rate period, dividing the result by number of Months in the rate period and taking the remainder out to five (5) decimal places and rounding up or down to MEP's specified decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by number of Months in rate period, dividing the result by number of Days in rate period and taking the remainder out to five (5) decimal places and rounding up or down to MEP's specified decimal place.

14.20 MEP'S RIGHT TO TERMINATE A CAPACITY RELEASE

MEP may elect to terminate a Replacement Shipper's Agreement with MEP upon prior written notice of at least thirty (30) days to the Replacement Shipper, under the following conditions:

(a) The Releasing Shipper has failed to make timely payment or maintain credit (or provide adequate assurance of payment) in accordance in Sections 2.8 and/or 12 of these General Terms and Conditions and MEP has suspended or terminated service to the Releasing Shipper or has provided notice under Section 2.8 or 12.2 which ultimately results in suspension or termination of service; and

(b) The rate stated in the Replacement Shipper's Agreement is less than the rate for service under MEP's contract with the Original Shipper; provided, however, that a Replacement Shipper which is creditworthy can continue an existing capacity release by notifying MEP that it agrees to pay the same rate as is in the original Agreement between MEP and the Releasing Shipper. In the alternative, MEP and the Replacement Shipper may agree upon other pricing terms, including payment of the maximum tariff rate or some other rate that is acceptable to the pipeline, in which case the release shall continue. Such an arrangement must be effectuated prior to the end of the notice period.

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15. ADVERTISEMENT AND MARKETING FEES

15.1 ADVERTISEMENTS

Any person may advertise for the purchase of capacity on MEP's System on MEP's Interactive Website by submitting the desired advertisement (up to one page) to MEP. MEP shall post such advertisement on MEP's Interactive Website no later than the Business Day following receipt thereof if so requested, so long as the advertisement is not unlawful or inconsistent with MEP's Tariff. The posted period requested may be for a period of time not to exceed one Month. There will be no posting fee for such advertisements seeking to purchase capacity on MEP. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release; to release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in Section 14 of these General Terms and Conditions.

15.2 FEE FOR ACTIVE MARKETING

When a Shipper is seeking to release capacity under Section 14 of these General Terms and Conditions, such a Shipper may request that MEP actively market capacity to be released. The Releasing Shipper and MEP shall negotiate the terms of the marketing service to be provided by MEP and the marketing fee to be charged therefor.

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16. PRE-GRANTED ABANDONMENT, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL

16.1 GENERAL

Subject to Section 16.3, service performed by MEP under Part 284 of the Commission's Regulations shall expire, and shall be automatically abandoned, upon contract termination under: (a) any FTS transportation Agreement with a primary term of less than one (1) Year; and (b) any ITS, IBS or PALS Agreement regardless of term. Service under any FTS transportation Agreement with a term of one (1) Year or greater shall expire, and shall be automatically abandoned, on contract termination unless service is continued pursuant to Sections 16.2 or 16.3. Rights under this Section 16 shall not be available to the extent provided in Section 2.1(b)(7) of these General Terms and Conditions (relating to limited time period contracts). The right of first refusal under Section 16.2 hereof shall apply to Leased Capacity to the extent provided in such section. In addition, contractual rollovers under Section 16.3 hereof may apply to Leased Capacity.

16.2 RIGHT OF FIRST REFUSAL

(a) Any Shipper under a firm service Agreement with a term of one (1) Year or greater (including Leased Capacity) (unless otherwise agreed) and with a rate equal to the applicable maximum rate shall have the right to continue receiving service after the expiration of its existing Agreement to the extent consistent with this Section 16.2; provided however, that with respect to Leased Capacity, Shipper shall only be entitled to continue receiving service on the Leased Capacity pursuant to this section through the then remaining term of the Enogex Lease. The prior sentence shall (unless otherwise agreed) include any such firm Agreement which incorporates a Negotiated Rate or Negotiated Rate Formula if (unless otherwise agreed) the revenue under such an Agreement equals or exceeds the revenue at the applicable maximum rate. MEP shall set out in the posting described in subsection 16.2(b) below the forms of bids which may be submitted in the Right of First Refusal. Bids may always be submitted in the rate form underlying the applicable maximum rate. Bids in the form of a Negotiated Rate or Negotiated Rate Formula may only be submitted if permitted in the posting. A match by the existing Shipper must be made in a bid form permitted under the posting. MEP shall not be required to provide service under the Right of First Refusal procedure at a discount from the

applicable maximum rate unless it otherwise agrees. If a bid is submitted for a Negotiated Rate or Negotiated Rate Formula, the value of that bid for evaluation purposes shall be capped at, and the existing Shipper need only match, the lesser of the value of the bid at the Negotiated Rate or Negotiated Rate Formula or the value of that bid utilizing the Recourse Rate in lieu of the Negotiated Rate or Negotiated Rate Formula.

(b) To exercise the Right of First Refusal, the existing Shipper must provide MEP with notice of its intent to do so in a form specified by MEP and must submit such notice at least nine (9) Months prior to the expiration of the existing Agreement. MEP shall advise Shipper in writing of the date by which such notice must be submitted at least one (1) Month prior to the last day on which such notice can be made on a timely basis. Such notice must specify a desired term of service, the desired MDQ and the desired Point MDQ at each Receipt and Delivery Point. If the requested MDQ is greater than the existing MDQ and/or if the Point MDQ is greater than the existing Point MDQ at any Receipt and Delivery Point, any such increase shall be treated as a request for new service under the applicable Rate Schedule and only the original quantity shall be subject to the Right of First Refusal under this Section. The Right of First Refusal may apply to a portion of the existing Shipper's MDQ for its then effective service. If the existing service encompasses both zones, the Right of First Refusal must be for firm capacity in both zones. Any notice specifying a decrease in MDQ or Point MDQ shall not affect the existing Agreement during its remaining term.

(c) Within fifteen (15) days after receipt of a notice under Section 16.2(b), MEP shall post on the Informational Postings portion of its Interactive Website an Announcement of Capacity Availability Subject to Right of First Refusal (Capacity Announcement) which shall: (1) specify the existing Shipper's service rights; (2) indicate the availability of such service as of the date the existing Agreement expires, subject to the Right of First Refusal; (3) state the maximum rate applicable to such service; (4) set out any other information required by this Section; and (5) solicit bids for such service. Such Capacity Announcement shall be maintained, and bids accepted via MEP's Interactive Website, for a period of at least ten (10) days from the initial posting.

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(d) (1) Within one (1) week after the end of the ten (10) day period during which the Capacity Announcement is posted, MEP shall convey to the existing Shipper a term sheet for the best bid (based on price and term) which would qualify for such service in all respects (including meeting applicable credit criteria), which is a bona fide bid and which MEP is willing to accept. MEP may, but is not required to, accept any bid which reflects a discount from the applicable maximum rate. In assessing which is the best bid if more than one bid is received, MEP shall apply the same criteria as are utilized to allocate firm capacity pursuant to Section 2.1 of these General Terms and Conditions, except that contract terms in excess of five (5) years shall not increase the value of any bid.

(2) MEP's term sheet shall contain any and all terms of the bid but shall not identify the bidder; provided, however, such bid sheet shall indicate if the best bid was submitted by an affiliate of MEP. Except for the providing of such term sheet to the existing Shipper, all terms and conditions of any bid and the identity of the bidder shall remain confidential; provided that the Commission may on request have access to such information on a confidential basis.

(3) The existing Shipper shall have two (2) weeks to notify MEP whether or not it desires to match the best bid. To match the best bid, the existing Shipper must agree to both a price (up to the applicable maximum rate or Recourse Rate) and a term which at least equals the bid on all or any portion of the service the existing Shipper desires to retain; provided, however, a) if the existing Shipper seeks to retain only a portion of its MDQ, the analysis of whether the existing Shipper has matched the best bid may take into account the MDQ requested under the best bid relative to the MDQ the existing Shipper seeks to retain; and b) if the best bid is for more than five (5) years, the existing Shipper need only match the net present value associated with the first five (5) years covered by the bid.

(e) (1) If the existing Shipper matches the best bid, it shall be entitled to continuation of service and shall be obligated to sign an Agreement tendered by MEP which reflects the best bid or any counteroffer by the existing Shipper which matches such best bid.

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(2) If the existing Shipper fails to match the best bid, the existing Agreement shall terminate at the end of its term and service to the existing Shipper shall be automatically abandoned.

(3) Submission of a bid shall be binding on the bidder. The bidder submitting the best bid shall be obligated to sign an Agreement reflecting its bid if the existing Shipper fails to match. Nothing herein shall preclude negotiation of a more acceptable Agreement by mutual consent of MEP and such bidder; provided, however, that service may not be agreed upon under terms and conditions less favorable to MEP than the best bid without providing the existing Shipper an additional opportunity to match such revised terms and conditions.

(f) MEP shall notify the existing Shipper if no qualified bid is received within one (1) week after the end of the ten (10) day period the Capacity Announcement is posted. In the absence of a qualified bid, the rate (within applicable maximums and minimums) and the term for continued service shall be negotiated between MEP and the existing Shipper. No discount or other special terms shall apply to a rollover Agreement unless MEP and the existing Shipper mutually agree. If no agreement is reached prior to the end of the three (3) week period following MEP's notice to the existing Shipper, the existing Shipper may, at that time, require that MEP enter into an Agreement to provide service at the applicable maximum rate for a term specified by Shipper and running from the date the existing Agreement expires. Unless the existing Shipper so elects at the end of the three (3) week period following MEP's notice to it, MEP may negotiate with any Shipper, with the existing Shipper having no further rights under this Section 16 and service under the existing Agreement shall be terminated and automatically abandoned at the expiration thereof.

(g) If the existing Shipper is eligible to receive continued service under this Section 16.2, MEP shall tender a rollover Agreement which conforms to the requirements of this Tariff prior to the expiration of the existing Agreement. The existing Shipper and MEP shall execute such rollover Agreement, or any modified Agreement upon which MEP and Shipper may mutually agree which is not inconsistent with this Tariff, within two (2) weeks. If it fails to execute the rollover Agreement on a timely basis, the existing Shipper shall (in addition to all other remedies available to MEP for such Shipper's failure to fulfill its obligation to execute such Agreement) forfeit any right to continuation of service after the expiration of the existing Agreement.

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16.3 CONTRACTUAL ROLLOVERS

The term of service under any FTS, ITS, PALS or IBS Agreement (including an Agreement covering Leased Capacity may be extended pursuant to a rollover or evergreen provision in such Agreement, which provision may supersede any otherwise applicable rollover or Right of First Refusal pursuant to this Section. In addition, the parties may subsequently negotiate rollover or evergreen provisions which differ from this Section. MEP is not obligated to offer or agree to any such rollover or evergreen provisions; provided, however, that to the extent it offers or agrees to any such provision, it must do so on a non-discriminatory basis for similarly situated Shippers. Without limitation of the foregoing, a contractual rollover provision may include a unilateral right on the part of Shipper to extend the term of the Agreement by notice to MEP by a time specified and rights of first refusal in addition to those specified in this Section 16.

16.4 VALID REQUEST CRITERIA

Unless waived by MEP, the requirements for a valid request under the applicable Rate Schedule (including the applicable credit analysis) apply to any rollover Agreement.

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17. MEASUREMENT

17.1 UNIT OF MEASUREMENT AND METERING BASE

The volumetric measurement base shall be one (1) cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), at a temperature base of sixty degrees Fahrenheit (60 degrees F.), and without adjustment for water vapor.

17.2 ATMOSPHERIC PRESSURE

For the purpose of measurement, calculations, and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual altitude of each point of measurement irrespective of variations in natural atmospheric pressure from time to time. In the event electronic computer measurement is used, the absolute Gas pressure will be measured directly, using an absolute pressure measuring device for continuous input to the electronic computer.

17.3 TEMPERATURE

The temperature of the Gas shall be determined at the points of measurement by means of a properly installed recording thermometer or continuous electronic transducer input to a computer of standard manufacture selected by MEP to be installed in accordance with the recommendations applicable to the standards for the metering equipment. The arithmetic average of hourly temperatures for each Day shall be used in computing temperatures of the Gas during such Day for conventional chart measurement. In the event electronic computer measurement is used, average Daily temperature will be computed as a running average of data determined during each computer scan.

17.4 DETERMINATION OF HEATING VALUE AND SPECIFIC GRAVITY

At the option of MEP, the heating value of the Gas may be determined by the use of a chromatograph, a continuous Gas sampler or by taking spot Gas samples.

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(a) In the case where an online chromatograph is used, the results will be applied continuously during calculation. The average of the hourly heating value during periods of flow each Day shall be recorded and considered as the heating value of the Gas delivered to MEP or Shipper.

(b) In the event a continuous Gas sampler is installed, then the heating value of the composite sample so taken shall be considered as the heating value of the Gas for the applicable period. Alternatively, the results may be applied prospectively beginning on the Day the results become available after agreement by both parties.

(c) If spot samples are taken, the samples shall be run on the measuring party's chromatograph at another location. The result of a spot sample shall be applied to Gas deliveries as of the Day the results are available and for all succeeding Days until a new sample is taken.

(d) All heating value determinations made with a chromatograph shall use physical gas constants for Gas compounds as outlined in the GPA Std 2145-00 Rev 1 Table of Physical Constants of Paraffin Hydrocarbons and other Compounds of Natural Gas and any subsequent amendments or revisions to such Report to which the parties may mutually agree. The moisture content of the Gas shall be determined as often as necessary and practical to determine the actual heating value of the Gas stream.

(e) The calculations (for Btu) shall be based on dry Gas if the Gas at the measurement points contains less than five (5) pounds of water per MMcf. If the Gas at the measurement points contains more than five (5) pounds of water per MMcf, the appropriate factor determined by MEP in the exercise of its reasonable judgment for the actual water vapor content will be applied to the Btu calculations to correct for this water content.

(f) The specific gravity of the Gas flowing through the meter or meters may be determined by the use of a chromatograph or by analysis of Gas collected in spot and continuous samplers. Specific gravity shall be updated whenever the heating value of the Gas is updated. All specific gravity determinations made with a chromatograph shall use physical Gas constants for Gas compounds as

outlined in the GPA Std 2145-00 Rev 1 Table of Physical Constants of Paraffin Hydrocarbons and other Compounds of Natural Gas with any subsequent amendments or revisions to such Report to which the parties may mutually agree. Specific gravity shall be determined to the nearest one thousandth (0.001).

17.5 SUPERCOMPRESSIBILITY

The measurement hereunder shall be corrected for deviation from Boyle's Law at the pressures and temperatures under which Gas is measured hereunder by the use of the AGA Report Nos. 3 and 9.

17.6 MEASURING EQUIPMENT

MEP will install, maintain and operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and Equivalent Volumes delivered hereunder shall be determined.

17.7 METERING

(a) Where measurement is by orifice meter, all fundamental constants, observations, records and procedures involved in the determination and/or verification of the quantity and other characteristics of Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 3 (ANSI/API 2530) on "Orifice Metering of Natural Gas," with any revisions, amendments or supplements as may be mutually acceptable to MEP and Shipper, unless otherwise specified herein.

(b) Where measurement is by turbine meter, unless specified otherwise, shall be in accordance with A.G.A. Report No. 7, with any revisions, amendments or supplements as may be mutually agreeable to the parties hereto.

(c) Where measurement is by ultrasonic meter, all fundamental constants, observations, records and procedures involved in the determination and/or verification of the quantity and other characteristics of Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 9 on "Measurement of Gas by Multi Path Ultrasonic Meters" with any revisions, amendments or supplements as may be mutually acceptable to MEP and Shipper, unless otherwise specified herein.

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(d) Where measurement is by other than orifice, turbine or ultrasonic meter, standards commonly acceptable in the natural gas industry and mutually agreeable to the parties shall be used in the determination of all factors involved in the computation of Gas volumes.

17.8 ELECTRONIC FLOW COMPUTERS

It is recognized that electronic or other types of flow computers have been developed that permit the direct computation of Gas flows. MEP may use such devices for custody transfer.

17.9 NEW MEASUREMENT TECHNIQUES

If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by MEP. MEP shall promptly inform all Shippers of any new techniques adopted.

17.10 CALIBRATION AND TEST OF METERS

The accuracy of all measuring equipment shall be verified by MEP at reasonable intervals, and if requested, in the presence of representatives of Shipper, but MEP shall not be required to verify the accuracy of such equipment more frequently than once per Month. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. If, upon testing, the challenged equipment is found to be in error, then it shall be repaired and calibrated. The cost of any such special testing, repair and calibration shall be borne by the party requiring the special test if the percentage of inaccuracy is found to be one percent (1%) or less; otherwise, the cost shall be borne by the party operating the challenged measuring equipment.

17.11 CORRECTION OF METERING ERRORS

If, upon any test, any measuring equipment is found to be inaccurate, such equipment shall be adjusted immediately to measure accurately. If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by one percent (1%) or more at a

recording corresponding to the average hourly rate of Gas flow for the period since the last preceding test, any payments based thereon shall be corrected pursuant to Section 11.5 hereof, at the rate of such inaccuracy for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half (1/2) of he time elapsed since the date of the last test. Measurement data corrections should be processed within six (6) Months of the production Month with a three (3) Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

17.12 FAILURE OF MEASURING EQUIPMENT

In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible:

(a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or in the absence of (a); then

(b) By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

17.13 PRESERVATION OF RECORDS

Shipper and MEP shall preserve for a period of at least three (3) Years, or for such longer period as may be required by appropriate authority, all test data, charts and other similar records.

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18. PRESSURE AND DELIVERY CONDITIONS

18.1 RECEIPT POINT PRESSURE

Unless otherwise agreed by contract, Shipper shall deliver Gas to MEP at each Receipt Point at the pressure prevailing in MEP's System at that point.

18.2 DELIVERY POINT PRESSURE

Unless otherwise agreed by contract, MEP shall deliver Gas to Shipper at each Delivery Point at the pressure available in MEP's System at such point.

18.3 HOURLY TAKES

On any Day, Gas shall be delivered by MEP in uniform hourly quantities, based on Shipper's confirmed Daily nomination quantity divided by twenty-four (24), subject to the operating conditions on MEP's System. At a Shipper's request, MEP will deviate from such uniform hourly quantities to the extent in MEP's judgment it can support such deviations operationally without adversely affecting other Shippers provided that such flexibility shall not apply to Leased Capacity. If, after written request by MEP, Shipper fails to restrict its hourly takes as specified herein, MEP may install and operate a load limiting device at any Delivery Point where such failure has occurred. The cost for such device, including the cost of installation, shall be paid by Shipper within 30 days of its receipt of the bill therefore.

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19. QUALITY OF GAS

19.1 SPECIFICATIONS

(a) In order to permit delivery into downstream facilities, the Gas received under any Agreement by MEP on any portion of the System, except for Gas receipts on Leased Capacity which are governed by subsection (c), shall meet the following requirements, unless otherwise agreed:

(1) shall be free from objectionable liquids, odors, solid matter, dust, gums, and gum forming constituents, or any other substance which might interfere with the merchantability of the Gas stream, or cause interference with proper operation of the lines, meters, regulators, other appliances through which it may flow, or transportation through any downstream pipeline;

(2) shall contain not more than seven (7) pounds of water vapor per one thousand (1,000) MCF;

(3) shall contain not more than 0.3 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;

(4) shall contain not more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of Gas, including mercaptans and hydrogen sulfide;

(5) shall contain not more than two percent (2%) by volume of carbon dioxide;

(6) shall contain not more than one percent (1%) by volume of combined oxygen;

(7) shall have a temperature of not more than one hundred twenty degrees Fahrenheit (120 degrees F) and shall have a minimum temperature of not less than forty degrees Fahrenheit (40 degrees F);

(8) shall have a Btu content no less than 980 Btu/cf and no greater than 1110 Btu/cf;

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(9) shall have a combined composition of not more than one and one-half (1.5) mole percentage of butane plus, including isobutene, normal butane and all heavier hydrocarbons (C4+);

(10) shall have a combined composition of total inert gases (principally nitrogen and carbon dioxide) of not more than four (4) mole percent; and

(11) shall have a Wobbe Index of not greater than 1400, calculated using Higher Heating Value (HHV), dry, based on the following mathematical definition:

HHV / (Sqrt (SGgas))
Where:
HHV = Higher Heating Value (Btu/scf)
SGgas = Specific Gravity
Sqrt = Square Root of

(b) MEP may, from time to time, as operationally necessary, establish and post on the Informational Postings portion of its Interactive Website an upper limit on the dew point for receipts on specified segments or other specified locations on its System (other than Leased Capacity) to prevent hydrocarbon fallout, or to assure that Gas will be accepted for delivery into downstream entities. MEP will include in such posting the anticipated duration of the limitation. MEP will provide as much prior notice as reasonably practicable and will attempt to provide in the posting at least ten (10) Business Days prior notice before the limitation becomes effective. If such prior notice is not practicable, MEP will explain the reason in the posting why it was unable to give such prior notice. Upon request, MEP will provide current information regarding the dew point at any point of receipt into MEP's System affected by the posting to the operator of that point or any producer, purchaser, supply aggregator or Shipper with Gas being tendered at that point. MEP shall not post, under this section, a cricondentherm dew point temperature of less than fifteen degrees Fahrenheit (15 degrees F).

(c) With respect to Leased Capacity, Gas received on the Leased Capacity must meet the Gas quality standards established by Enogex. MEP will post on its Interactive Website the Gas quality standards in effect for the Leased Capacity.

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19.2 LIQUIDS SAMPLE

Shipper agrees to supply or cause its designee to supply to MEP upon demand, at any time and from time to time, a sample of liquids removed from the Gas stream at any Receipt Point, whether removed by a coalescer or otherwise, for analysis at a laboratory of MEP's choosing. If at any time PCBs or any other toxic substances or chemicals that MEP deems hazardous and/or in any way unsafe for transportation are found in the liquid samples supplied to MEP by Shipper, MEP may in its sole discretion immediately cease the receipt of such Gas and any associated liquids through its facilities. Upon proof that such toxic or hazardous substances are no longer present at levels deemed unsafe by MEP, MEP shall restore service to Shipper at the affected Receipt Point.

19.3 SUSPENSION OF RECEIPTS

Should any Gas delivered by or on behalf of Shipper to MEP at any Receipt Point fail at any time to conform to any of the specifications provided for in this Section 19, MEP may, at its option, suspend all or a portion of the receipt of any such Gas. MEP shall be relieved of any of its obligations for the duration of such suspension. Upon receipt of MEP's notice of such a failure, Shipper shall make a diligent effort to correct the failure by treatment or dehydration consistent with prudent operation so as to tender Gas conforming to the specifications provided for in this Section 19.

19.4 NONCOMPLIANCE WITH SPECIFICATIONS

Non-conforming Gas will likely enter MEP's system from time-to-time. Once MEP becomes aware based on periodic quality measurements that non-conforming Gas is entering its system, it will promptly advise the Shipper(s) and point operators involved that the Gas they are tendering is non-conforming, identifying the nature and extent of the non-conformity, and that the Gas quality standards herein must be met. Where operationally feasible, MEP will continue to accept non-conforming Gas for a limited period of time while the Shipper(s) or point operators involved take steps to adjust operations so as to address the Gas quality issues. In addition, where operationally feasible MEP may, from time to time, on a not unduly discriminatory basis, accept non-conforming Gas to the extent it is able to blend Gas received at Receipt Points, as long as MEP reasonably anticipates, in its sole judgment, that such blended Gas will not cause operational or downstream problems at its Delivery Points.

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(a) Should Shipper tender for receipt any Gas that causes the composite Gas stream in MEP's facilities to fail the requirements of any downstream pipeline, MEP may take whatever action necessary on MEP's own accord or use of a third party, as solely determined by MEP, at Shipper's sole cost and expense, to treat and/or process the Gas stream such that the Gas stream can be delivered to the downstream pipeline. Until remedial action is taken to make Gas acceptable to the downstream pipeline, MEP may refuse to accept receipt of any Gas, in MEP's sole discretion, which prevents MEP from making deliveries into the downstream pipeline. MEP shall not have any obligation to provide service with respect to Gas which does not satisfy the requirements of this Section 19. Any reduction in the energy content of the Gas treated and/or processed shall be determined and deducted from MEP's transportation volumes tendered for delivery to the downstream pipeline.

(b) No waiver by MEP of any default by Shipper in any of the specifications set forth above or in any other provision of this Tariff shall operate as a continuing waiver of such specification or as a waiver of any subsequent default whether of a like or different character.

19.5 POSTINGS

(a) MEP posts Gas quality information as set out in Section 13.1(a) of these General Terms and Conditions.

(b) If MEP agrees to accept non-conforming Gas for a more extended time than is contemplated under Section 19.4, MEP shall make a posting on the informational postings section of its Interactive Website which sets out: (1) that MEP is accepting non-conforming Gas; (2) the nature and extent of the non-conformity; and (3) the expected duration of the arrangement to accept non-conforming Gas.

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20. FORCE MAJEURE

20.1 EFFECT OF FORCE MAJEURE

In the event of either MEP or Shipper being rendered unable by Force Majeure (on its part or that of a necessary third party) to carry out, wholly or in part, its obligations under the provisions of an Agreement, it is agreed that the obligations of the party affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

20.2 DEFINITION OF FORCE MAJEURE

(a) The term "Force Majeure" means any event or condition or combination of events and/or conditions which prevents, hinders, or delays the performance of any obligation subject hereto, in whole or in part, which is not within the reasonable control of the person claiming suspension by reason of Force Majeure, and which the party claiming suspension is unable to prevent or overcome by the exercise of due diligence. A situation of Force Majeure on the Leased Capacity will constitute Force Majeure on the Leased Capacity. It will also constitute Force Majeure on MEP generally to the extent that it prevents, hinders or delays the performance of MEP's obligations. For the purposes of the definition of "Force Majeure," the exercise of due diligence shall mean acting in good faith with the intention of performing contractual obligations, and the exercise of a degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Such events or conditions, provided that the foregoing requirement are met, include, but are not limited to acts of God, strikes, lockouts, acts of a public enemy, acts of sabotage, wars, blockades, riots, insurrections, epidemics, landslides, subsidence, earthquakes, fires, hurricanes, storms, tornadoes, storm warnings, floods, washouts, accidents, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions and a Force Majeure event on the Leased Capacity. Failure by the party claiming suspension to prevent or settle any strike or strikes shall not be considered to be an event or condition within the control of such party.

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(b) If either party is rendered unable, in whole or in part, by Force Majeure to carry out its obligations, then such party shall give notice and reasonably full particulars of such Force Majeure in writing or by facsimile or telephone to the other party within a reasonable time after it becomes aware of the occurrence of the Force Majeure, and the obligations of such party, insofar as they are affected by such Force Majeure, shall be suspended from the commencement of such Force Majeure through the continuance of any inability so caused, but for no longer period, and such Force Majeure shall so far as possible be remedied with all reasonable dispatch. Any suspension of obligation for reasons of Force Majeure shall be proportional to the effect of such Force Majeure on the particular obligation relief from which is sought.

20.3 POSTING

MEP shall post on the Public Informational Posting section of its Interactive Website any declaration by it of a Force Majeure situation. This posting will address the nature of the Force Majeure, the facilities and services affected, the anticipated extent of the impact and its likely duration.

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21. POSSESSION OF GAS, TITLE AND RESPONSIBILITY

(a) Shipper warrants that it will at the time of delivery to MEP have good title to all Gas so delivered free and clear of all liens, encumbrances and claims whatsoever. As between Shipper and MEP, Shipper shall be deemed to be in control and possession of the Gas and responsible for and hold MEP harmless of and from any damage or injury caused thereby until it shall have been delivered to MEP at the Receipt Point(s), after which MEP shall be deemed to be in control and possession of such Gas until its delivery to Shipper, or for Shipper's account at the Delivery Point(s) and while in such possession MEP shall be responsible therefor and hold Shipper harmless of and from any damage or injury caused thereby and shall be responsible for any loss of Gas other than Unaccounted For Gas. MEP shall have no responsibility with respect to any Gas on account of anything which may be done, happen or arise with respect to said Gas until it is received by MEP. Shipper shall have no responsibility with respect to said Gas after its receipt by MEP or on account of anything which may be done, happen or arise with respect to said Gas after such receipt until its delivery to Shipper, or for Shipper's account, at the Delivery Point(s). The point of the division of responsibility shall be the point of interconnection between the facilities of MEP and the upstream or downstream entity, at the Receipt or Delivery Point(s), as applicable. The foregoing provisions of this Section shall not relieve either party (which includes its agents and employees) from responsibility as provided under Section 24 of these General Terms and Conditions.

(b) Shipper will indemnify and hold MEP harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the Gas tendered under an Agreement. MEP will indemnify and save Shipper harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the Gas delivered to Shipper, or for Shipper's account, under an Agreement.

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22. NOTIFICATION

22.1 GENERAL

Except as provided otherwise in this Tariff or the Agreement, operational communications may be made by telephone 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, telefax or Electronic Notice Delivery consistent with the NAESB Standards as adopted in Section 29 of these General Terms and Conditions. Such delivery shall: (a) be sent to MEP at the address specified in the Agreement, or through such electronic means as are available and authorized by MEP, or at an address otherwise stated in a notice by MEP to Shipper; and (b) be sent to Shipper at the address in the Agreement pursuant to the applicable Rate Schedule, through Electronic Notice Delivery or at an address otherwise stated in a notice by Shipper to MEP.

22.2 NOTIFICATION PROCEDURES

(a) PRICING

(1) The availability and pricing of services on MEP's System is governed by this Tariff. From time to time, MEP changes or updates its Tariff by filings with the FERC. Each Shipper is notified by MEP of such filings and is provided a copy of each filing.

(2) Telephone inquiries related to the availability or pricing of services are answered by representatives of MEP and upon request, potential Shippers are provided copies of MEP's Tariff filings.

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(3) Shippers desiring a rate under any Agreement other than the maximum rate on file with the FERC are required to submit such requests in writing or by electronic medium to the Manager, Gas Transportation, in Houston. Any lower rate agreed to by MEP is evidenced in writing to such Shipper, and such rate is considered confidential until it is reported to the FERC as required by the Regulations. In order to attract or determine interest in the use of any particular service, representatives of MEP from time to time contact Shippers by telephone. Such conversations are confidential and may or may not result in Shipper submitting a request for a discounted rate for a particular service.

(b) CAPACITY

(1) Capacity available for firm service is communicated to requestors of that service under the provisions of the applicable firm Rate Schedule. The general availability of firm capacity is also communicated by MEP's Interactive Website, which is described in Section 13 of these General Terms and Conditions.

(2) Capacity available for interruptible services is communicated to holders of interruptible Agreements by representatives of MEP in response to the Shippers' nominations for service. The nomination and confirmation procedure is detailed in Section 6 of these General Terms and Conditions. The general availability of interruptible capacity is also communicated by MEP's Interactive Website, which is described in Section 13 of these General Terms and Conditions.

(3) When available capacity is affected by construction projects or unforeseen conditions, MEP communicates such information primarily via its Interactive Website to its Shippers. MEP also uses letters or telephone calls to communicate capacity information when such means are appropriate.

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23. FACILITIES/OBLIGATION TO CARRY OUT AGREEMENT/FILINGS/LINE PACK

23.1 FACILITIES

The nature of, and responsibility for, any facilities which must be acquired, modified or constructed to effectuate an Agreement are to be set out in a separate agreement between MEP and Shipper or the operator of a Point. To the extent that Shipper builds facilities to interconnect with MEP's System, such facilities shall be in conformance with Department of Transportation regulations, and any other applicable governmental regulations, and shall be subject to inspection and prior approval by MEP.

23.2 OBLIGATIONS TO CARRY OUT AGREEMENT

MEP shall be under no obligation to commence service thereunder unless and until: (a) all facilities, of whatever nature, as are required to permit (as applicable) the receipt, measurement, transportation and delivery of Gas under the Agreement have been installed and are in operating condition; (b) any payments due MEP thereunder have been received; and (c) MEP has determined that such service is authorized under all applicable Regulations.

23.3 REGULATORY FILINGS

After the execution of an Agreement, each party shall make and diligently prosecute, any and all necessary filings with Federal or other governmental bodies, or both, as may be required for the initiation and continuation of the service which is the subject of an Agreement. Upon either party's request, the other party shall timely provide or cause to be provided to the requesting party such information and material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this Section. Each party shall promptly provide the other party with a copy of all filings, notice, approvals, and authorizations in the course of the prosecution of its filings.

23.4 LINE PACK

MEP shall be responsible for providing line pack on its System.

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24. LIABILITY

(a) Except to the extent otherwise expressly agreed, no party shall be liable for special, punitive, exemplary, or consequential damages, whether based on contract, tort, strict liability, other law or otherwise and whether or not arising from any other party's sole, joint, concurrent or other negligence, strict liability or other fault.

(b) Except to the extent otherwise expressly agreed, no party shall be liable for the damages not waived pursuant to (a) above except to the extent that such damages are attributable to such party's negligence, gross negligence, or willful misconduct.

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25. SUCCESSORS AND ASSIGNS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or MEP shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Agreement; provided, however, that MEP reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with the Evaluation of Credit section of these General Terms and Conditions. No other assignment of an Agreement of any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of MEP, which consent shall not be unreasonably withheld. Any assignment shall not be accepted if inconsistent with Commission policy regarding capacity release. Shipper or MEP 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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26. REGULATION

The operation of the provisions of this Tariff shall be subject to any and all governmental statutes and all lawful orders, rules, and regulations affecting the receipt, transportation or delivery of Gas hereunder or the equipment required in connection with such receipt, transportation or delivery. It is understood that performance under any Agreement shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matter related hereto. Should either of the parties, by force of any such law, order, rule or regulation, at any time during the term of the Agreement be ordered or required to do any act inconsistent with the provisions thereof, then for that period only during which the requirements of such law, order, rule or regulation are applicable, the Agreement shall be deemed modified to conform with the requirement of such law, order, rule or regulation; provided, however, nothing herein shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate the Agreement under its terms and conditions.

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27. ELIGIBILITY FOR SERVICE

Shipper warrants that its requested service meets the requirement for service under the applicable Rate Schedule and these General Terms and Conditions and conforms to applicable Regulations of the FERC. Shipper further agrees to abide by the terms of the applicable Rate Schedule and these General Terms and Conditions. Except to the extent provided in Section 24 of these General Terms and Conditions, Shipper will indemnify MEP and hold MEP harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings arising from its breach of this warranty.

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28. COMPLAINT PROCEDURE

28.1 COMPLAINT PROCEDURE

It is the goal of MEP, as a provider of transportation services for others, that each of its existing and potential Shippers receive service that is in accordance with MEP's Tariff and is fully satisfactory to it. To that end, it is the policy of MEP that customer concerns and problems, communicated in any form to any representative of MEP, be satisfactorily resolved as informally, as rapidly and at as low a level as is possible. If attempts to resolve problems and concerns through such normal communication channels are unsuccessful, the procedures set forth in Sections 28.1(a) through 28.1(e) should be followed.

(a) Formal complaints by Shippers and potential Shippers shall be addressed to the Vice President, Business Management, located in Downers Grove, Illinois. A complaint should contain as much specific information as is possible in order to facilitate the appropriate resolution of the matter. Anyone making a verbal complaint should specifically identify the communication as a complaint.

(b) The Vice President, or his designee, shall acknowledge the receipt of the complaint within forty-eight (48) hours of receipt. If appropriate, MEP's resolution of the matter will be communicated tentatively to the complainant at that time.

(c) The Vice President, or his designee, shall communicate, as necessary, with others concerning the complaint and the formation of an appropriate response to it.

(d) The timing and nature of subsequent communications with the complainant, including final resolution of the matter, shall be at the discretion of the Vice President. Every effort shall be made to resolve finally each complaint in writing within thirty (30) days after the complaint was originally received. At a minimum, MEP shall notify Shipper in writing of the status of the complaint within thirty (30) days of its receipt.

(e) The foregoing recognizes that individual complaints may vary greatly as to complexity and seriousness. For this reason, the informed judgment of the Vice President shall be relied upon in each instance for the necessary determinations concerning such things as: (1) the exact steps to be taken in addressing the complaint; (2) the need to involve more senior officers in the matter; and (3) the appropriate final resolution of the complaint.

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29. COMPLIANCE WITH 18 C.F.R., SECTION 284.12

29.1 MEP shall comply with the following business practice and electronic communication standards incorporated by reference in Section 284.12 of the Commission's Regulations (18 C.F.R. Section 284.12):

(a) ADDITIONAL STANDARDS (Version 1.8): 0.2.1, 0.2.2, 0.2.3, 0.3.1, 0.3.2, 0.3.11, 0.3.12, 0.3.13, 0.3.14, and 0.3.15.

(b) NOMINATIONS, CONFIRMATIONS AND SCHEDULING (Version 1.8): 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.2 (vi), 1.3.6, 1.3.7, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.24, 1.3.25, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, and 1.3.79.

(c) FLOWING GAS (Version 1.8): 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.3.1, 2.3.2, 2.3.4, 2.3.7, 2.3.8, 2.3.11, 2.3.12, 2.3.13, 2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, and 2.3.64.

(d) INVOICING (Version 1.8): 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, and 3.3.26.

(e) QUADRANT ELECTRONIC DELIVERY MECHANISMS (Version 1.8): 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42, 4.3.43,

4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, and 4.3.93.

(f) CAPACITY RELEASE (Version 1.8): 5.2.1, 5.2.2, 5.2.3, 5.3.7, 5.3.9, 5.3.10, 5.3.12, 5.3.18, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.29, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.3.54, and 5.3.60.

(g) INTERNET ELECTRONIC TRANSPORT (Version 1.8): 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 20.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.13, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, and 10.3.25.

29.2 (a) MEP shall utilize the standardized datasets provided by the standards incorporated by reference in 18 C.F.R. Section 284.12. MEP's implementation guide for the standardized data sets specifies MEP's intended use, if any, of the data elements that are coded as "business conditional" (BC) and "mutually agreeable" (MA) for purposes of EDI. The implementation guide may be obtained by contacting the Website-Help Line (1-800-258-3278) and asking for the EDI coordinator. If requested by a Shipper, MEP will, within sixty (60) days begin exchanging such data sets with the requesting Shipper.

(b) MEP shall utilize the following data dictionary standards:

(1) ADDITIONAL RELATED STANDARDS (Version 1.8: 0.4.1.

(2) NOMINATIONS RELATED STANDARDS (Version 1.8): 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, and 1.4.7.

(3) FLOWING GAS RELATED STANDARDS (Version 1.8): 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, and 2.4.16.

(4) INVOICING RELATED STANDARDS (Version 1.8): 3.4.1, 3.4.2, 3.4.3, and 3.4.4.

4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, and 4.3.93.

(f) CAPACITY RELEASE (Version 1.8): 5.2.1, 5.2.2, 5.2.3, 5.3.7, 5.3.9, 5.3.10, 5.3.12, 5.3.18, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.29, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.3.54, and 5.3.60.

(g) INTERNET ELECTRONIC TRANSPORT (Version 1.8): 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 20.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.13, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, and 10.3.25.

29.2 (a) MEP shall utilize the standardized datasets provided by the standards incorporated by reference in 18 C.F.R. Section 284.12. MEP's implementation guide for the standardized data sets specifies MEP's intended use, if any, of the data elements that are coded as "business conditional" (BC) and "mutually agreeable" (MA) for purposes of EDI. The implementation guide may be obtained by contacting the Website Security Help Line and asking for the EDI Coordinator. If requested by a Shipper, MEP will, within sixty (60) days begin exchanging such data sets with the requesting Shipper. The Website Security Help Line phone number can be found at http://pipeline.kindermorgan.com.

(b) MEP shall utilize the following data dictionary standards:

(1) ADDITIONAL RELATED STANDARDS (Version 1.8): 0.4.1.

(2) NOMINATIONS RELATED STANDARDS (Version 1.8): 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, and 1.4.7.

(3) FLOWING GAS RELATED STANDARDS (Version 1.8): 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, and 2.4.16.

(4) INVOICING RELATED STANDARDS (Version 1.8): 3.4.1, 3.4.2, 3.4.3, and 3.4.4.

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(5) CAPACITY RELEASE RELATED STANDARDS (Version 1.8): 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19, 5.4.20, 5.4.21, and 5.4.22.

(c) MEP shall utilize the North American Energy Standards Board Trading Partner Agreement (Version 1.8, Standard 6.3.3).

29.3 MEP's HTML page(s) is accessible via the Internet's World Wide Web at the following address:

http://pipeline.kindermorgan.com

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30. NEGOTIATED RATES

30.1 PRECONDITIONS TO NEGOTIATED RATES

Rates to be charged by MEP for service to any Shipper under Rate Schedules FTS, ITS, PALS or IBS may deviate in either form or level or both from the applicable maximum rate level in this Tariff (and may include "favored nation" clauses as to rates), subject to the following provisions:

(a) MEP and Shipper have executed a valid 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 Agreement (or the amendment to an 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 30) of Rate Schedules FTS, ITS, PALS or IBS of this Tariff, as applicable; and

(c) No later than the Business Day on which MEP commences service at such Negotiated Rate(s) or Negotiated Rate Formula (or if the Day on which MEP commences service is not a Business Day, then no later than the next Business Day after MEP commences service), MEP 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 Receipt and Delivery Point(s) applicable to the service, the volume of the Gas to be transported, any other charges, and specifying either: (i) the specific Negotiated Rate included in such Agreement; or (ii) the Negotiated Rate Formula included in such Agreement with sufficient specificity such that the rate in effect from time to time can be readily calculated. The tariff sheet must also either incorporate a statement that the Agreement does not deviate from the form of service agreement in any material respect or the Agreement must be reflected on a separate tariff sheet identifying non-confirming Agreements of MEP. As an alternative to filing the tariff sheet, MEP may file the contract setting out the Negotiated Rate or Negotiated Rate Formula.

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30.2 AWARD OF FIRM CAPACITY

To the extent the revenue level pursuant to the Negotiated Rate(s) or Negotiated Rate Formula provided for in Section 30.1 above should equal or exceed the revenue level at the Recourse Rate, the Shipper paying such Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be treated, for capacity award purposes, as if the rate(s) paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity for capacity award purposes 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 are always higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for the Right of First Refusal pursuant to Section 16.2 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 evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula for capacity award purposes 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 for capacity award purposes shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority in a capacity award procedure than bids or requests at the Recourse Rate. In applying this Section 30.2, revenue associated with the Leased Capacity Charges, which passed through to Enogex, will not be considered.

30.3 ACCOUNTING FOR COSTS AND REVENUES

The allocation of costs to and the recording of revenues from service at Negotiated Rate(s) or under a Negotiated Rate Formula will follow MEP's normal practices associated with all of its services under this Tariff. MEP 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 (MDQ), the rates MEP charged and the revenue received associated with such transactions. MEP will separately identify such transactions in Statements G, I and J (or their equivalent) filed in any general rate proceeding. Should MEP institute a tariff provision to flow through on a current basis to its Shippers the impact of certain transportation transactions, the treatment of revenues from Negotiated Rate(s) or Negotiated Rate Formula(s) shall be specified in such provision.

30.4 CAPACITY RELEASE REVENUE

MEP and Shipper may agree hereunder to a Negotiated Rate or Negotiated Rate Formula which includes payment obligations or crediting mechanisms in the event of a capacity release which vary from those set out in Section 14 of these General Terms and Conditions. Nothing in the foregoing sentence, however, shall authorize MEP or Shipper to violate the Commission's policy with respect to the negotiation of terms and conditions of service.

30.5 FUEL GAS AND UNACCOUNTED FOR GAS

Under this Section, MEP and Shipper may agree upon retainage or surcharge components, including a percentage charges for Fuel Gas, Booster Compression fuel and/or Unaccounted For Gas, different from those otherwise determined under this Tariff. Without limitation of the foregoing, MEP may enter into agreements on Fuel Gas, Booster Compression fuel and/or Unaccounted For Gas retainage percentage with Foundation Shippers or Anchor Shippers different from those determined under the Tariff. MEP will credit the full maximum rate retainage or surcharge amounts to its accounts for any such transactions where such retainage or surcharge amounts would apply if the transaction were not entered into under this authority, without prejudice to MEP's recovery from the Shipper with which it has such an agreement of additional future amounts to offset any underrecovery experienced by MEP to the extent such future recoveries are permitted by contract.

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31. OPERATIONAL CONTROL

31.1 GENERAL

(a) MEP shall endeavor to maintain adequate pressure throughout its System and to preserve the overall operational integrity of its System; provided, however, that MEP shall not be obligated to buy or sell Gas or, unless otherwise contractually obligated, to install compression or otherwise modify its System for these purposes except as otherwise agreed by contract. Operating personnel for Shippers and other entities which are physically taking delivery of Gas from MEP or tendering Gas to MEP shall cooperate with MEP in furtherance of this Section. Each Shipper shall designate the telephone, e-mail address and/or telefax numbers of one or more persons [but not more than two (2) primary and two (2) backup persons] for MEP to contact on operating matters (including the receipt of Operational Flow Orders and notices of a Critical Time) at any time, on a 24-hour a Day, 365-Day a Year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters.

(b) For the purpose of these General Terms and Conditions, the overall operational integrity of MEP's System shall encompass the integrity of the physical System and the preservation of physical assets and their performance, the overall operating performance of the entire physical System as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total System deliverability and the quality of Gas delivered.

31.2 FACILITY CONTROL

MEP shall maintain actual physical and operational control of all transmission and other facilities on its System.

31.3 OPERATING INFORMATION

MEP may request that Shippers periodically provide non-binding estimates of flow patterns and other operating parameters. Shippers will cooperate by providing such operating information.

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31.4 OPERATIONAL CONTROL SEQUENCE

(a) In the event MEP's observations or projections indicate that a situation is or may be developing in which adequate pressures may not be maintained or the overall operational integrity of its System (or any portion thereof) could be threatened, or in the event that such a situation actually occurs, MEP is empowered by this Section to take action to alleviate this situation. In responding to such a situation, MEP shall first apply the Advisory Action procedures of Section 31.5. If such measures are not sufficient to address the situation fully, MEP shall next employ Operational Flow Orders as provided in Section 31.6. In the event Operational Flow Orders alone are not adequate, MEP may invoke the Critical Time procedures set out in Section 31.7. The procedures set out in such provisions, and their sequencing, are intended to be applied only to the extent any of the specific actions indicated, or such sequencing, would tend to alleviate the situation to be addressed. In issuing Advisory Actions, Operational Flow Orders or a Critical Time, MEP shall describe the conditions and the specific responses required from the affected parties. Nothing herein shall preclude MEP from bypassing any of the above procedures if, in its judgment, the situation so requires. MEP will keep Shippers advised through postings on the Informational Posting portion of its Interactive Website on the status of the situation.

(b) To the extent practicable, MEP shall direct its actions hereunder to Shippers creating or anticipated to create the situation to be addressed, including taking actions on a point-specific basis or at specific locations on the System. Shippers will endeavor to adjust nominations on every scheduling cycle at Receipt Points or Delivery Points or both to provide a balance of receipt and delivery volumes so that imbalances do not occur. In addition, Shippers will endeavor to cure existing imbalances that can be reasonably attributed to their Agreements as directed by MEP.

31.5 ADVISORY ACTIONS

In the event MEP determines that action is required to avoid a situation in which System pressure is not maintained or in which the overall operational integrity of the System or any portion of the System is jeopardized, MEP may take the Advisory Actions set out herein to forestall the development of such a situation.

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(a) MEP may request Shippers or other entities affecting its System to take any of the following actions, or other similar actions, to the extent such actions would tend to alleviate the situation, on a voluntary basis:

(i) Increase or decrease the supply mix of deliveries;

(ii) Shift receipts to obtain better capacity balance;

(iii) Utilize different Receipt or Delivery Points; or

(iv) Such other voluntary action as would tend to alleviate or forestall the situation.

(b) MEP may also take actions within its control which might tend to alleviate or forestall the situation. Such actions may include the following:

(i) Advise any Shipper which is not maintaining receipts and deliveries in balance that such imbalances must not continue;

(ii) Curtail or require adjustments or supply shifts in service under Rate Schedule ITS;

(iii) Enter into agreements with Shippers or third parties under which such entity agrees to take voluntary action defined in such agreement which will help operation of the System, which agreement may include reasonable and adequate compensation for such entity; and

(iv) Take such other actions as are within MEP's control and discretion to alleviate or forestall the situation.

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31.6 OPERATIONAL FLOW ORDERS

(a) (1) In the event that the Advisory Actions under Section 31.5 are not sufficient to alleviate conditions, inter alia, which threaten or could threaten the safe operations of MEP's System or MEP's ability to provide firm service, MEP is authorized to issue Operational Flow Orders. Notwithstanding the foregoing, MEP shall take reasonable actions to minimize the issuance and the adverse impact of Operational Flow Orders, or of any other measure taken under this Section 31 in response to adverse operational events on MEP's System, including issuance of Operational Flow Orders which, to the extent practicable and where appropriate under the circumstances, are directed only to the specific Shipper or Shippers whose actions caused or contributed significantly to the conditions which required MEP to issue the Operational Flow Order. MEP will issue Operational Flow Orders when necessary to maintain the pressure of its System within the range of normal operating parameters, respond to changes (including anticipated changes) in weather conditions or respond to or prevent facility outages or other conditions which could have a detrimental impact on system reliability or service integrity on its system. Operational Flow Orders shall be lifted as soon as practicable once such conditions no longer prevail; provided that Operational Flow Orders need not be lifted if doing so might result in a recurrence of the conditions sought to be addressed.

(2) Operational Flow Orders shall require action within any Shipper class proportionate to appropriate and relevant parameters, such as applicable contract quantities or current or recent flowing Gas volumes subject to Section 31.4(b).

(3) The Operational Flow Order shall identify with specificity the situation to be addressed and shall (in addition to mandating specific actions) indicate voluntary actions by Shippers (increased takes or receipts/decreased takes or receipts, etc.) which would alleviate such situation. Operational Flow Orders shall also specify the time when compliance must be achieved. Such Operational Flow Orders may, subject to the remainder of this Section 31.6, require a Shipper to take any of the following actions, or similar actions, to the extent such actions would tend to alleviate the situation to be addressed:

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(i) Commence or increase supply inputs into MEP's System or at specific Points, or shift such supply inputs (in whole or in part) to different Points.

(ii) Cease or reduce supply inputs into MEP's System or at specific Points.

(iii) Commence or increase takes of Gas from MEP's System or from specific Points, or shift takes to different Points.

(iv) Cease or reduce takes from MEP's System or at specific Points.

(v) Maintain flows on a ratable basis throughout the Day.

(vi) Rectify transportation imbalances.

(vii) Conform receipts or deliveries to the confirmed nominations, for any Shipper with a variance greater than a level stated in the Operational Flow Order.

(viii) Activate voluntary action agreement(s) previously entered into, including any related compensation.

(ix) Such other actions which would tend to alleviate the situation to be addressed.

(4) No Shipper will be required under an Operational Flow Order to exceed its MDQ and/or Point MDQ under its Agreements with MEP.

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(b) An entity other than the Shipper may agree to take responsibility for Operational Flow Orders on behalf of a Shipper or a point operator or on behalf of the operator of a specified end-use facility. To accept such responsibility, the entity must provide MEP with written notification which includes: (i) written consent by the affected Shipper or operator; (ii) specification of any limits on the entity's responsibility; (iii) the term over which the notification is effective; and (iv) an identification of adequate resources which will be used to support the assumption of responsibility. Any notification or change in notification is effective on the second Business Day after delivery to MEP. Notwithstanding the foregoing, MEP may reject a notification upon written notice to such entity and any affected Shipper if such notification fails to comply with this Section or contains any provision which could adversely affect implementation of an Operational Flow Order or if the entity is not in a position to accept responsibility either operationally or financially for Operational Flow Orders. Such a rejection must be made by MEP within two (2) Business Days after the notification is tendered to MEP. If a notification is already in effect and MEP reasonably determines that the conditions for such a notification are no longer met, MEP may provide notice of rejection, which notice shall be effective within five (5) days or such later time as is specified in the notice. As part of any rejection of a notification hereunder, MEP shall provide to the Shipper and to the entity which submitted the notification a written explanation of the rejection. Such explanation must be consistent with this paragraph. If such a notification is in effect, MEP will direct any Operational Flow Order within the scope of the notification to the entity agreeing to take responsibility.

(c) Notice of an Operational Flow Order will be posted on MEP's Interactive Website. MEP shall also post, as soon as available, information about operational parameters which affect when an Operational Flow Order will begin and end (e.g., significant changes in pressure on any pipeline segment, status of facility repairs, etc.). MEP shall provide as much advance warning as practicable of: (i) conditions which may create the need to issue an Operational Flow Order; and (ii) the issuance, termination or modification of an Operational Flow Order. MEP will endeavor to post the notice that it will issue an Operational Flow Order on its

Interactive Website before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via its Interactive Website by 4:00 p.m. Central Time that they should check MEP's Interactive Website again at a specified later time to see whether an Operational Flow Order will be in effect for the next Day. Additionally, if Shipper has provided to MEP the e-mail address as specified in NAESB Standard 5.3.35, such posting will be provided via e-mail in the format as defined in NAESB Standard 5.3.38 at least four (4) hours prior to the start of the Day before an Operational Flow Order will be effective as to a Shipper; provided, however, that MEP may issue an Operational Flow Order on as little as one (1) hours notice where operationally necessary. Such notice shall specify the anticipated duration of the Operational Flow Order. An Operational Flow Order will be effective at the start of a Day and will continue until the end of the Day and through the end of successive Days until MEP notifies Shippers on its Interactive Website that the Operational Flow Order has been lifted.

(d) (1) If any Shipper fails to comply with an Operational Flow Order during any period which is not a Critical Time, it shall be subject to a penalty of 2 X DIP times any volume of Gas by which it deviated from the requirements of the Operational Flow Order; provided, however, that the penalty shall be 4 X DIP to the extent a Shipper exceeds a variance level stated in an Operational Flow Order. In assessing any penalty hereunder, MEP shall apply the DIP applicable to the period(s) during which the violation occurred. A Shipper shall be exempt from such a penalty under this Section 31.6 to the extent the Operational Flow Order requires action beyond Shipper's contract limits under its Agreement with MEP or if Shipper has complied within a reasonable range, which range will be specified in the Operational Flow Order.

(2) In taking action based on an Operational Flow Order, Shipper is entitled to rely on information (such as metering information) provided by MEP.

(3) A Shipper shall not be subject to Unauthorized Gas charges from MEP with respect to any action taken in reasonable conformance with an Operational Flow Order issued by MEP during a Critical or non-Critical Time.

(e) Within thirty (30) days after an Operational Flow Order has been lifted, MEP will post on the Informational Posting portion of its Interactive Website a report which describes the specific operational factors which caused the Operational Flow Order to be issued and to be lifted.

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31.7 CRITICAL TIME

(a) MEP shall advise Shippers on its System if it is declaring a Critical Time, and shall specify the nature of the situation creating the Critical Time. MEP shall provide as much advance notice as practicable of any declaration of Critical Time.

(b) A Critical Time may be declared (1) when the total physical receipts to all or a portion of the System are approaching or expected to approach, a level that is in excess of the total physical deliveries MEP can transport without jeopardizing the integrity of its facilities; (2) when System pressure is falling and approaching a level or is expected to fall and approach a level that is at or below the minimum that MEP considers necessary for System integrity or to fulfill its firm contractual obligations; (3) when System pressure on one or more pipeline segments is rising and approaching a level or is expected to rise and approach a level that is at or above the maximum pressure at which MEP's facilities may be safely operated; or (4) at other times when MEP is unable or anticipates it may not be able to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of MEP's System. A Critical Time may not be declared on all or a portion of the System for the purpose of maintaining interruptible services on that portion of the System, but Gas under interruptible service may flow at times or on portions of the System when such flow would not violate any operational control restrictions or provisions of this Tariff. MEP shall notify Shippers on the Informational Postings portion of its Interactive Website as to the reason(s) why a Critical Time was declared.

(c) Notice of a Critical Time will be posted on the Informational Postings portion of MEP's Interactive Website. MEP will also provide notice via e-mail to Shippers which have provided e-mail addresses. MEP will endeavor to post such notice before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via its Interactive Website by 4:00 p.m. Central Time that they should check its Interactive Website again at a specified later time to see whether a Critical Time will be in effect for the next Day. MEP must attempt to give actual notice of a Critical Time via telefax or telephone (provided a Shipper has given the numbers to MEP as required in Section 31 of these General Terms and Conditions) at

least four (4) hours prior to the start of the Day before a Critical Time will be effective as to a Shipper. Such notice shall specify the anticipated duration of the Critical Time. A Critical Time will be effective at the start of a Day and will continue until the end of the Day and through the end of successive Days until MEP notifies Shippers via its Interactive Website that there is no longer a Critical Time.

(d) MEP may issue Operational Flow Orders as described in Section 31.6 during a Critical Time.

(e) The penalty for failure to abide by an Operational Flow Order issued during a Critical Time shall be equal to the volume (in Dth) by which Shipper deviated from the requirement of the Operational Flow Order multiplied by 8 X DIP. In assessing any penalty hereunder, MEP shall apply the DIP index applicable to the period(s) during which the violation occurred.

31.8 STANDARDS

(a) In issuing Operational Flow Orders or taking other operational control action under this Section, MEP shall apply consistent and objective engineering and operational criteria to define the overall operational integrity of the System and acceptable pressure levels to be protected, to evaluate the imminent nature of any threat to these factors, and to determine what steps are necessary to preserve such factors. Such criteria may be changed from time to time as operating experience indicates.

(b) In applying this Section, MEP shall operate its System on a non-discriminatory manner, without regard to the source of supply, the identity or nature of any Shipper or the identity of any entity tendering or receiving Gas except as otherwise explicitly provided herein.

GENERAL TERMS AND CONDITIONS

32. WAIVERS/NON-WAIVER OF FUTURE DEFAULT

(a) MEP may waive any of its rights or any obligations of Shipper under this Tariff on a basis which is not unduly discriminatory; provided that no waiver shall operate to be construed as a waiver of other future rights or obligations, whether of a like or different character.

(b) No waiver by either Shipper or MEP of any one or more defaults by the other in performance of any of the provisions of an 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

33. CAPACITY ON OTHER ENTITIES

33.1 ACQUIRED CAPACITY

(a) MEP may from time to time enter into transportation agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). MEP may use Acquired Capacity for its System operational needs and/or to render service to its customers. Except as provided in subsection (b), MEP states that, if it transports Gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to on-system customers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section 33(a), the "Shipper must hold title" requirement is waived.

(b) Nothing herein shall be read to preclude MEP from filing with the Commission for different tariff provisions applicable to any service which MEP provides using Acquired Capacity; provided, however, that the waiver of the "Shipper must hold title" requirement hereunder shall not apply in such a circumstance and MEP will be required to seek a case-specific waiver of that requirement from the Commission.

33.2 REQUESTED CAPACITY

(a) At the request of a Shipper or Shippers, MEP may enter into transportation or storage agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines or local distribution companies for the benefit of the requesting Shipper(s) (Requested Capacity). MEP may pass on the requesting Shipper(s) any and all charges MEP is obligated to pay for Requested Capacity under such agreements, with such charges to be reflected on the next Monthly bill to the requesting Shipper(s).

(b) The understanding between MEP and the requesting Shipper(s) as to such capacity will be set out in a separate contract.

33.3 LEASED CAPACITY

Nothing in this Section 33 shall be read to govern or relate to Leased Capacity.

GENERAL TERMS AND CONDITIONS

34. DISCOUNTING

(a) In the event that MEP agrees to discount its rate to Shipper below MEP's maximum rate under Rate Schedules FTS or ITS, as applicable, the discount terms shall be reflected in the applicable Agreements or associated discount agreements and will apply without the discount constituting a material deviation from MEP's form of service agreement; provided, however, that any such discounted rates shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule. Without limitation of the foregoing, such discounted rates may be based on:

(1) The published index prices for specific Points or other agreed-upon published pricing reference points for price determination the use of which is not inconsistent with Commission policy (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate:

(i) shall not change the underlying rate design;

(ii) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;

(iii) shall define the rate component to be discounted; and

(iv) shall be limited by the applicable maximum and minimum rates.

(2) any of the factors set out in subsection (b).

(b) Except as otherwise provided in any written agreement(s) between the parties in effect during the term hereof, Shipper shall pay MEP the applicable maximum rate(s) and all other lawful charges as specified in MEP's applicable rate schedule. Shipper and MEP may agree that Shipper shall pay a rate other than the applicable maximum rate so long as such rate is between the applicable maximum and minimum rates specified for such service in the Tariff. MEP and Shipper may agree that a specific discounted rate will apply only to certain volumes under the agreement. The parties may agree that a specified discounted rate will apply only to specified volumes (MDQ or commodity volumes) under the agreement; that a specified

discounted rate will apply only if specified volumes are achieved or only if the volumes do not exceed a specified level; that a specified discounted rate will apply only during specified periods of the Year or for a specifically defined period; that a specified discounted rate will apply only to specified points, zones, mainline segments, supply areas, transportation paths, markets or other defined geographical area(s); that a specified discounted rate(s) will apply in a specified relationship to the volumes actually transported; (i.e., that the reservation charge will be adjusted in a specified relationship to volumes actually transported); that a discounted rate may be based on a formula, including a formula utilizing pricing indices consistent with Section 34 of the General Terms and Conditions of MEP's FERC Gas Tariff; and/or that a specific discount rate shall apply only to reserves dedicated by Shippers to MEP's system. Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a certain volume level will be invalidated if the Shipper transports an incremental volume above that agreed level. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in MEP's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components of the same Agreement or a different Agreement for the same or a different service may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. However, 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.

(c) Surcharges. MEP may agree to discount any surcharges applicable to any service Agreement to the maximum extent permitted by Commission policy.

(d) If the parties agree upon a rate other than the applicable maximum rate, such written Agreement shall specify that the parties mutually agree either: (1) that the agreed rate is a discount rate; or (2) that the agreed rate is a Negotiated Rate (or Negotiated Rate Formula). In the event that the parties agree upon a Negotiated Rate or Negotiated Rate Formula, this Agreement shall be subject to Section 30 of the General Terms and Conditions of MEP's Tariff.

GENERAL TERMS AND CONDITIONS

35. ANNUAL CHARGES ADJUSTMENT (ACA) SURCHARGE

35.1 PURPOSE

This Section of the General Terms and Conditions is filed pursuant to Section 154.402 and Subpart B of Part 382 of the Commission's Regulations under the Natural Gas Act (NGA) and the Natural Gas Policy Act of 1978. The intent and purpose of this Section is to establish an Annual Charges Adjustment (ACA) provision under which MEP can recover from its customers annual charges assessed to it by the Commission pursuant to Part 382 of the Commission's Regulations (ACA Cost). All amounts assessed pursuant to Part 382 of the Commission's Regulations shall be recorded in Account 928. MEP will not seek to recover annual charges assessed to it pursuant to Part 382 of the Commission's Regulations in an NGA Section 4 rate case. For the purpose of recovering annual charges assessed to MEP pursuant to Part 382 of the Commission's Regulations, this Section establishes an ACA surcharge as set forth in the Currently Effective Rates section of this Tariff.

35.2 APPLICABILITY

The ACA surcharge shall be applicable to all transportation transactions performed by MEP.

35.3 BASIS OF THE ACA SURCHARGE

The rates for all transactions specified in Section 35.2 hereof shall be adjusted by a unit charge to recover ACA Cost. Such unit charge shall be that increment, adjusted to MEP's pressure base and Heating Value, if required, which has been established by the Commission. The ACA unit charge shall be applied to the commodity component of rates.

35.4 FILING PROCEDURE

The ACA surcharge shall be filed annually by MEP at least thirty (30) days prior to the effective date of charge, as defined in Section 35.5 below. Any such filing shall become effective on the effective date of charges hereunder without suspension or refund obligation.

35.5 EFFECTIVE DATE OF CHARGES

The effective date of charges filed pursuant to this Section shall be October 1.

GENERAL TERMS AND CONDITIONS

36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision, for the recovery by MEP of Fuel Gas and Unaccounted For Gas. These adjustments result in the Fuel Gas and the Unaccounted For Gas Reimbursement Percentages as set forth on Sheet Nos. 12 through 15 of this Tariff. Separate Fuel Gas percentages are set out for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System and is determined hereunder on a System-wide basis. With respect to the Leased Capacity, a separate Fuel Gas Percentage which includes lost and unaccounted for gas on the Leased Capacity is set out on Sheet No. 5. Section 36.7 specifies the procedures to be utilized in adjusting the Fuel Gas Percentage applicable to the Leased Capacity. Separate reimbursement rates are determined for Interim Period Service. In the event Interim Period Service extends beyond six months, MEP shall have the right to adjust the Fuel Gas and Unaccounted For Gas Percentages on a semi-annual basis in accordance with this Section 36. In addition, a separate incremental Booster Compression fuel percentage is set out for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with ETC near Natural's Compressor Station No. 802. No separate Fuel Gas or Unaccounted For Gas charges shall apply to service under Rate Schedules PALS or IBS.

(b) This Section 36 specifies the procedures to be utilized in adjusting such percentages to reflect changes in Fuel Gas, in Unaccounted For Gas and in Booster Compression fuel per unit of service. All amounts for the reimbursement of Fuel Gas, of Unaccounted For Gas and of Booster Compression fuel shall be recovered by MEP in-kind by applying the percentages to the volumes of Gas transported on its System under Rate Schedules FTS and ITS. If percentages which differ from those determined hereunder are established for any Shipper pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates or a Negotiated Rate Formula), that contractual percentage shall be used in determining delivery volumes for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to MEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

(c) Fuel Gas and Unaccounted for Gas associated with the Leased Capacity are to be recovered pursuant to Section 36.7 hereof.

36.2 DEFINITIONS

(a) "Unaccounted For Gas," "Fuel Gas" and "Booster Compression" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Base Period" shall mean the six (6) Months ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" shall mean the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3.

(d) "Receipt Quantity" shall mean the volume of Gas received by MEP at the various Receipt Points on its System, net of volumes received as reimbursement for Fuel Gas and for Unaccounted For Gas. Separate Receipt Volumes shall be calculated for Zone 1, Zone 2 and for Interim Period Service. For purposes of the incremental Booster Compression fuel percentage, the Receipt Quantity shall mean all volumes received at the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies.

(e) "Initial Effective Date" shall mean the first Day of the Month in which Interim Period Service is first provided.

36.3 PERIODIC RATE ADJUSTMENT

(a) The initial level of the Fuel Gas Reimbursement Percentage and of the Unaccounted For Gas Reimbursement Percentage shall be established in MEP's certificate proceeding for its System, to be effective on the Initial Effective Date. These percentages shall be redetermined effective on each six (6) months anniversary of the Initial Effective Date. Separate Fuel Gas percentages are determined for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System. In addition, a separate fuel gas percentage is applicable to the Leased Capacity and shall be redetermined in accordance with the

provisions of Section 36.7 hereof. The Leased Capacity Fuel Gas Percentage, includes lost and unaccounted for gas on the Leased Capacity. Separate percentages are established for Interim Period Service. A separate incremental Booster Compression fuel charge will be established for each point(s) listed on Sheet Nos. 12 and 13 where Booster Compression applies, to be initially effective on the first Day of the Month in which any Booster Compression is placed into service.

(b) MEP shall file its adjustment to each of the reimbursement percentages at least thirty (30) days prior to the effective date of the redetermination. The revised percentage(s) in any tracking filings shall be the sum of the Current Component determined under Section 36.4 and the Deferred Component determined under Section 36.5. Any tracking filing submitted in accordance with this Section shall become effective, subject to refund, on the designated effective date which is consistent with Section 36.3(a). Any changes from the prior tracking level shall be subject to review in the tracking filing proceeding.

36.4 CURRENT COMPONENT

The methodology used to derive the Current Component of the Fuel Gas Reimbursement Percentage, of the Booster Compression fuel percentage and of the Unaccounted For Gas Reimbursement Percentage is as follows:

(a) Fuel Gas, Booster Compression fuel and Unaccounted For Gas are each divided by the relevant Receipt Quantity to calculate the Current Component of the respective percentages. Separate Fuel Gas percentages are determined for Zone 1, for Zone 2 and for Interim Period Service. One value for Unaccounted For Gas Reimbursement shall be calculated, which applies once to all volumes transported on the System. A separate Unaccounted For Gas Reimbursement Percentage shall be established for Interim Period Service. The Booster Compression fuel percentage is an incremental rate applicable to Shippers with gas being compressed by Booster Compression.

GENERAL TERMS AND CONDITIONS

(b) Fuel Gas, Booster Compression fuel and Unaccounted For Gas to be included in this calculation consist of the Fuel Gas, Booster Compression fuel and Unaccounted For Gas actually experienced in the Base Period, utilizing best available measurement information, adjusted for changes reasonably anticipated to occur during the Recovery Period; provided, however, that for the initial redetermination, the calculation shall reflect the months of actual experience for which data is available.

(c) The allocation of Fuel Gas between zones will be accomplished by first allocating directly to a zone any fuel associated with compression that impacts only one zone. All other Fuel Gas will be allocated between zones on a Mcf-mile allocation basis.

(d) The Receipt Quantities used in these calculations shall be the Receipt Quantities actually experienced in the Base Period, utilizing best available measurement information, adjusted for changes reasonably anticipated to occur during the Recovery Period.

36.5 DEFERRED COMPONENT

(a) A Deferred Component shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Unaccounted For Gas Reimbursement Percentage; and (iii) the incremental Booster Compression fuel percentage. A deferred subaccount shall be established and maintained related to each of these items. The Deferred Component shall be the balance of the deferred subaccount as of the end of the Base Period expressed as volumes (any conversion from dollar amounts are to be based on the AMIP for the Month) divided by the Receipt Quantity. Separate deferred Fuel Gas components shall be calculated for Zone 1, for Zone 2 and for Interim Period Service. For Unaccounted For Gas Reimbursement, one Deferred Component shall be determined for the entire System, including during Interim Period Service. For the incremental Booster Compression Fuel Percentage, one Deferred Component shall be determined for the point(s) listed on Sheet Nos. 12 and 13 where Booster Compression applies. After Interim Period Service is no longer available, the then remaining Deferred Component for Interim Period Service shall be combined into the corresponding Fuel Gas or Unaccounted For Gas Deferred Component for Zone 1 or Zone 2, as applicable. The Receipt Quantities used in these calculations shall be the quantities

actually experienced for the Base Period based on best available information, adjusted for changes reasonably anticipated to occur during the Recovery Period. The Deferred Component may be positive or negative.

(b) The accumulated deferred subaccount balances for each reimbursement percentage is to be adjusted semi-annually to reflect the following, as applicable:

(1) The amount associated with MEP's actual under- or over-recovery at the end of each six (6) Month period of Fuel Gas and of Unaccounted For Gas.

(2) Adjustments to any prior Month's recoveries.

(3) Carrying charges on the deferred subaccounts.

(c) The amount to be included as an adjustment in the deferral subaccounts for any Month shall be calculated as follows, with separate calculations for each Deferred Component identified in Section 36.5(a) hereof:

(1) MEP shall determine the actual Fuel Gas, the actual Unaccounted For Gas, and Booster Compression fuel gas.

(2) MEP shall then determine the amount of Fuel Gas and the amount of Unaccounted For Gas recovered for that Month, as follows: the amount of Fuel Gas and of Unaccounted For Gas recovered shall be determined by multiplying the Fuel Gas Reimbursement Percentage, the Booster Compression fuel percentage and the Unaccounted For Gas Reimbursement Percentage in effect during the Month by the applicable Receipt Quantity for the Month.

(3) The adjustment to the deferral subaccounts for the Month shall be based on the difference between item (1) and item (2). This amount shall be recorded in the deferral subaccount as follows:

(i) MEP shall debit the relevant deferral account in the event the current Month actual amounts exceed the amounts that MEP recovered hereunder for that Month.

(ii) MEP shall credit the relevant deferral account in the event the current Month actual amounts are less than the total amount MEP recovered hereunder.

(4) Valuation of the adjustments to the deferral subaccounts shall be based on the AMIP for the relevant period.

(5) MEP will add carrying charges applicable for the Month to each deferral subaccount. The carrying charge shall be the product of the following:

(i) The carrying charge base shall be the prior Month's balance in the reimbursement subaccount;

(ii) MEP shall compute a monthly carrying charge rate utilizing the effective annual FERC-approved interest rate prescribed in Section 154.501 of the FERC's Regulations. Such rate shall be expressed to the nearest one ten thousandth of 1%.

36.6 EFFECTIVE DATE

The Fuel Gas Reimbursement Percentage and the Unaccounted For Gas Reimbursement Percentage will be assessed beginning on the Initial Effective Date and shall be revised hereunder on a periodic basis as set out in Section 36.3. The incremental Booster Compression fuel percentage will be assessed beginning on the in-service date of the initial Booster Compression and shall be revised on a periodic basis as set out in Section 36.3. The Leased Capacity Fuel Percentage Gas Percentage will be assessed on the Initial Effective Date, and shall be revised on a periodic basis, as set out in Section 36.7 hereof.

GENERAL TERMS AND CONDITIONS

36.7 PERIODIC RATE ADJUSTMENT FOR THE LEASED CAPACITY FUEL GAS PERCENTAGE:

(a) The Leased Capacity Fuel Gas Percentage reflects the charges assessed by Enogex to MEP for fuel gas and lost and unaccounted for gas, as such charges are on file with the Commission, and may be revised from time to time. The initial Leased Capacity Fuel Gas Percentage shall be the currently effective charges for fuel gas and lost and unaccounted for gas applicable to the Leased Capacity that Enogex has on file with the Commission to be effective on the Initial Effective Date. These percentages shall be redetermined in accordance with Section (b) hereof.

(b) MEP will adjust the Leased Capacity Fuel Gas Percentage on a periodic basis, consistent with the timing of FERC filings made by Enogex, pursuant to its Statement of Operating Conditions, revising the fuel gas percentages applicable to Enogex's system. The fuel percentages on Enogex's system include a component for lost and unaccounted for gas. The adjustments to the Leased Capacity Fuel Gas Percentage will reflect the fuel gas percentage Enogex has on file with the Commission applicable to the Leased Capacity and will be posted on MEP's interactive website. MEP will maintain a deferred account to account for any differences, should they occur, between Enogex's fuel charges and MEP's collections of same from its Shippers.

GENERAL TERMS AND CONDITIONS

37. OPERATOR

37.1 DESIGNATION OF OPERATOR

MEP has designated Kinder Morgan NatGas Operator LLC to be Operator of the System to perform all of MEP's obligations hereunder. MEP reserves the right to change the designation of the Operator.

37.2 WAIVER AND INDEMNIFICATION

(a) In the absence of gross negligence, recklessness or willful misconduct on the part of Operator, its officers, employees or agents, each Shipper waives any and all claims and demands against Operator, its officers, employees or agents, arising out of or in any way connected with: (1) the quality, use or condition of the Gas after delivery from the System for the account of such Shipper; (2) any losses or shrinkage of Gas during and resulting from transportation hereunder; and (3) all other claims and demands arising out of the performance of the duties of Operator, its officers, employees or agents hereunder.

(b) Except in the case of gross negligence, recklessness or willful misconduct on the part of Operator, its officers, employees or agents, each Shipper shall indemnify and save harmless Operator, its officers, employees or agents from any claim, demand or expense for loss, damage or injury to property or to persons who are not Shippers of Gas in the System which arises out of or is connected with the performance of the duties of Operator, its officers, employees or agents hereunder in transporting gas for any Shipper.

Sheet Nos. 282 - 299 Sheet Nos. 282 - 299

Sheet Nos. 282 through 299 are reserved for future use.

GENERAL TERMS AND CONDITIONS

38. Non-Conforming Agreements (con't)

38.12 Newfield Exploration Mid-Continent Inc., Transportation Rate Schedule FTS Agreement, Dated August 21, 2008 (Contract No. 553405).

38.13 Newfield Exploration Mid-Continent Inc., Transportation Rate Schedule FTS Agreement, Dated August 21, 2008 (Contract No. 553406).

38.14 Newfield Exploration Mid-Continent Inc., Transportation Rate Schedule FTS Agreement, Dated August 21, 2008 (Contract No. 553407).

38.15 OGE Energy Resources, Inc., Transportation Rate Schedule FTS Agreement, Dated August 21, 2008 (Contract No. 553385).

38.16 Quicksilver Resources, Inc., Transportation Rate Schedule FTS Agreement, Dated August 21, 2008 (Contract No. 553386).

38.17 SandRidge Energy, Transportation Rate Schedule FTS Agreement, Dated August 29, 2008 (Contract No. 553498).

38.18 Unit Petroleum Company, Transportation Rate Schedule FTS Agreement, Dated August 25, 2008 (Contract No. 553387).

38.19 Cross Timbers Energy Services, Inc., Transportation Rate Schedule FTS Agreement, Dated August 5, 2009 (Contract No. 554239).

38.20 Chesapeake Energy Marketing, Inc., Transportation Rate Schedule FTS Agreement, Dated August 13, 2009 (Contract No. 554254).

Sheet Nos. 284 - 299 Sheet Nos. 284 - 299

Sheet Nos. 284 through 299 are reserved for future use.

[FOR RATE SCHEDULES FTS AND ITS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
TRANSPORTATION RATE SCHEDULE .....
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS

1. SHIPPER is: ....., a .....

2. MDQ totals: ..... Dth per Day.

3. TERM: ..... through .....
[Specify contractual rollover-rights or seasonal or other variable term rights, if any].....

4. Service will be ON BEHALF OF:

..... Shipper or
..... Other: ....., a .....

5. The ULTIMATE END USERS are (check one):

..... customers of the following LDC/pipeline company(ies): .....;
..... customers in these states:.....; or
..... customers within any state in the continental U.S.

6. ..... This Agreement supersedes and cancels a ..... Agreement dated .....
..... Capacity rights for this Agreement were released from .....
..... [for firm service only] Service and reservation charges commence the later of:

(a) ....., and
(b) the date capacity to provide the service hereunder is available on MEP's System.

..... Other: .....

7. SHIPPER'S ADDRESSES MEP'S ADDRESSES

....
....
....

8. Any or all of the following provisions may be included (where applicable) in the FTS or ITS Agreement and/or in any related Negotiated Rate, Negotiated Rate Formula or discount contracts, if any:

a. (DISCOUNTED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Tariff Rates. Notwithstanding any other provision of this Agreement, in no event shall a discounted rate billed by MEP be less than the applicable minimum rate or more than the applicable maximum rate set forth in MEP's FERC Gas Tariff, as may be revised from time to time.

b. (NEGOTIATED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Tariff Rates. Unless otherwise expressly provided in this Agreement, the Negotiated Rates or rates under a Negotiated Rate Formula shall apply to service provided by MEP to Shipper for the term of the Agreement notwithstanding any otherwise applicable maximum or minimum rates set forth in MEP's FERC Gas Tariff as may be revised from time to time.

[FOR RATE SCHEDULES FTS AND ITS]

Contact No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
TRANSPORTATION RATE SCHEDULE .....
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

c. (DISCOUNTED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the discounted rate(s) apply, unless the relevant discounted rate billed to Shipper exceeds the corresponding applicable effective maximum rates set forth in MEP's FERC Gas Tariff, as approved by the FERC from time to time.

d. (NEGOTIATED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the Negotiated Rates or rates under a Negotiated Rate Formula apply, notwithstanding any otherwise applicable maximum or minimum rate set forth in MEP's FERC Gas Tariff, as may be revised from time to time.

e. (NEGOTIATED RATE AGREEMENTS ONLY) Shipper and MEP understand and agree that this Agreement shall be subject to any and all applicable conditions precedent under MEP's FERC Gas Tariff and the regulations and policies of the FERC, including without limitation any requirements for MEP to file for and receive FERC approval of the Negotiated Rates.

f. Notifications. Except as otherwise may be expressly provided herein, any notice or communication contemplated or required by this Agreement shall be in writing unless oral notification is expressly authorized herein, and shall be sent to the appropriate party at the relevant address set forth in the Transportation Agreement, as may be revised from time to time.

g. Nonwaiver of Rights. No delay or failure to exercise any right or remedy accruing to either MEP or Shipper upon breach or default by the other will impair any right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach be deemed a waiver of any other breach or default.

h. Succession and Assignment. In the event any entity succeeds by purchase, merger or consolidation of title to the properties, substantially as an entirety, of Shipper, such entity shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Agreement. No other assignment of the Agreement nor of any of the individual rights or obligations hereunder by Shipper shall be effective as to MEP without the prior express written consent of MEP, provided, however, that the Agreement may be assigned by Shipper to a wholly or partially owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership, without prior written consent of MEP. The Agreement may be assigned by MEP to a wholly or partially owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership, which shall include Kinder Morgan Energy Partners, LP or any affiliate of Kinder Morgan Energy Partners, LP.

i. No Third Party Beneficiaries. This Agreement shall not create any rights in any third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than MEP or Shipper.

j. Conformance to Law. It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matters related hereto, including without limitation the Federal Energy Regulatory Commission.

k. Effect of Tariff. This Agreement shall at all times be subject to all applicable provisions of MEP's FERC Gas Tariff.

[FOR RATE SCHEUDLES FTS AND ITS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
TRANSPORTATION RATE SCHEDULE .....
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

l. GOVERNING LAW. THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ....., EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF .....

m. Entire Agreement. This Agreement contains the entire agreement between MEP and Shipper with respect to the subject matter hereof, and supersedes any and all prior understandings and agreements, whether oral or written, concerning the subject matter hereof, and any and all such prior understandings and agreements are hereby deemed to be void and of no effect. No amendments to or modifications of this Agreement shall be effective unless agreed upon in a written instrument executed by MEP and Shipper which expressly refers to this Agreement.

9. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibits A and B (for firm service only), and C (if applicable), are a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF ....., AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to MEP if MEP must provide them to the FERC.

Agreed to by:

MEP	SHIPPER
/s/:	/s/: .....
NAME:	NAME: .....
TITLE:	TITLE: .....

EXHIBIT A
DATED .....

Company:

Contract No.:

Receipt Point(s):
[FTS Only]

Name / Location	County Area	State	PIN No.	MDQ (Dth)
PRIMARY RECEIPT POINT(S):				
.....	.....	.....	.....	.....
.....				
.....				
.....				
SECONDARY RECEIPT POINT(S):				
.....	.....	.....	.....	.....
.....				
.....				
.....				

Receipt Pressure, Assumed Atmospheric Pressure

Gas to be delivered to MEP at the Receipt Point(s) shall be at the pressure prevailing on MEP's System at that point, but shall not in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each Receipt Point in MEP's Catalog of Points. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Receipt Point(s).

Rates

The rates shall be the applicable maximum rate and other applicable lawful charges except as otherwise provided in a separate written agreement. Such agreement shall be consistent with Section 34 or 30 of this Tariff (relating to discounts and to negotiated rates, respectively).

Fuel Gas and Unaccounted For Gas Percentages (%)

Shipper will be assessed the applicable percentages for Fuel Gas, for Booster Compression fuel and for Unaccounted For Gas unless MEP and Shipper mutually agree on monetary reimbursement.

EXHIBIT B
DATED .....

Company:

Contract No.:

Delivery Point(s):
[FTS Only]

Name / Location	County/Parish Area	State	PIN No.	MDQ (Dth)
PRIMARY DELIVERY POINT(S):				
1.	.....	.....	.....	.....
SECONDARY DELIVERY POINT(S):				
2.	.....	.....	.....	.....

Delivery Pressure, Assumed Atmospheric Pressure

Gas to be delivered by MEP to Shipper, or for Shipper's account, at the Delivery Point(s) shall be at the pressures available in MEP's pipeline facilities from time to time. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Delivery Point(s).

EXHIBIT C
DATED .....

MIDCONTINENT EXPRESS PIPELINE LLC

NEGOTIATED RATE AGREEMENT

[FOR RATE SCHEDULE PALS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS

1. SHIPPER is: ....., a .....

2. Maximum Aggregate Quantity (Dth) ..... (On any Day, the total of all MAQ ROs can never exceed this quantity.)

3. Maximum Daily Quantity (Dth) .....(on any Day, the total of all MDQ ROs can never exceed this quantity).

4. TERM: ..... through .....
[Specify contractual rollover-rights or seasonal or other variable term rights, if any] and month to month thereafter until terminated by prior written notice by either party. Termination shall not discharge any obligation accrued hereunder.

5. Service will be ON BEHALF OF:

..... Shipper or
..... Other: ....., a .....

6. The ULTIMATE END USERS are (check one):

..... customers of the following LDC/pipeline company(ies): .....;
..... customers in these states:.....; or
..... customers within any state in the continental U.S.

7. ..... This Agreement supersedes and cancels a ..... Agreement dated .....
..... Capacity rights for this Agreement were released from .....
..... [for firm service only] Service and reservation charges commence the later of:

(a) ....., and
(b) the date capacity to provide the service hereunder is available on MEP's System.

..... Other: .....

8. SHIPPER'S ADDRESSES MEP'S ADDRESSES

....
....
....

9. PALS Request Order. The form of the PALS Request Order attached hereto or such other mutually agreeable form, when executed by the parties shall evidence their agreement as to the terms of the particular transaction for the Park and Loan Service pursuant to this Agreement, including the quantity, rate, Receipt and Delivery Points for parking and lending and the term. The PALS Request Order may specify a range for the quantity and term of a Park and Loan. A single PALS Request Order may cover both a park and loan within limits specified.

10. PARK AND LOAN QUANTITY:

(i) Park Service: shall consist of MEP's receipt of a quantity of Gas at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date, requested by Shipper under a PALS Request Order and approved by MEP, MEP's holding of such parked quantity of Gas for Shipper's account and MEP's redelivery of the parked quantity of gas to Shipper at the designated Delivery Point(s) and/or Pooling Point(s) and on the designated

date(s)
set forth in such PALS Request Order.

[FOR RATE SCHEDULE PALS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS
(CON'T)

(ii) Loan Service: shall consist of MEP lending a specified quantity of Gas, requested by Shipper and approved by MEP, from designated Delivery Point(s) and/or Pooling Point(s) set forth in Shipper's PALS Request Order and the Shipper's redelivery of and MEP's acceptance of such volumes for Shipper's account at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date(s) set forth in such PALS Request Order.

11. For Parking service, subject to the terms and provisions of this Agreement (including the Request Order attached hereto) and of Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, Shipper agrees to deliver or cause gas to be delivered to MEP and MEP agrees (a) to receive a quantity of gas ("Parked Quantity"), up to the daily and total quantity of gas specified in the Request Order, not to exceed the MDQ and MAQ specified in this Agreement, on behalf of Shipper at the agreed upon Point(s) and at the agreed upon times on MEP's system; and (b) to hold the Parked Quantity on MEP's system and (c) to deliver, upon nomination by Shipper, the Parked Quantity to Shipper at the agreed upon point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system, and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff.

12. For Loan service subject to the terms and provision of this Agreement (Including the form of Request Order attached hereto) and of MEP's Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, MEP agrees to deliver or cause gas to be delivered to Shipper and Shipper agrees: (a) to receive a quantity of gas specified in the Request Order ("Borrowed Quantity"), not to exceed the Maximum Daily Quantity, and the Maximum Total Quantity as specified in this Agreement, at the available and agreed upon point(s) and at the agreed upon time on MEP's system; and (b) to return the Borrowed Quantity to MEP at the agreed point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP or third parties to receive gas from or deliver gas to MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff and shall provide for coordinated scheduling with MEP.

13. Service rendered hereunder shall be subject to scheduling and curtailment or interruption in accordance with Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff. In the event MEP is unable to provide the quantities of Rate Schedule PALS service requested by all Shippers under Rate Schedule PALS, then MEP shall allocate the available service among such Shippers in accordance with Rate Schedule PALS.

14. MEP shall render Park and Loan services to Shipper at the Point(s) agreed to by MEP and Shipper (such Points may not include any Points on Leased Capacity).

[FOR RATE SCHEDULE PALS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

15. Any or all of the following provisions may be included (where applicable) in the PALS Agreement and/or in any related Negotiated Rate, Negotiated Rate Formula or discount contracts, if any:

a. DISCOUNTED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Tariff Rates. Notwithstanding any other provision of this Agreement, in no event shall a discounted rate billed by MEP be less than the applicable minimum rate or more than the applicable maximum rate set forth in MEP's FERC Gas Tariff, as may be revised from time to time.

b. (NEGOTIATED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Tariff Rates. Unless otherwise expressly provided in this Agreement, the Negotiated Rates or rates under a Negotiated Rate Formula shall apply to service provided by MEP to Shipper for the term of the Agreement notwithstanding any otherwise applicable maximum or minimum rates set forth in MEP's FERC Gas Tariff as may be revised from time to time.

c. Notifications. Except as otherwise may be expressly provided herein, any notice or communication contemplated or required by this Agreement shall be in writing unless oral notification is expressly authorized herein, and shall be sent to the appropriate party at the relevant address set forth in the Transportation Agreement, as may be revised from time to time.

d. (DISCOUNTED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the discounted rate(s) apply, unless the relevant discounted rate billed to Shipper exceeds the corresponding applicable effective maximum rates set forth in MEP's FERC Gas Tariff, as approved by the FERC from time to time.

e. (NEGOTIATED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the Negotiated Rates or rates under a Negotiated Rate Formula apply, notwithstanding any otherwise applicable maximum or minimum rate set forth in MEP's FERC Gas Tariff, as may be revised from time to time.

f. (NEGOTIATED RATE AGREEMENTS ONLY) Shipper and MEP understand and agree that this Agreement shall be subject to any and all applicable conditions precedent under MEP's FERC Gas Tariff and the regulations and policies of the FERC, including without limitation any requirements for MEP to file for and receive FERC approval of the Negotiated Rates.

g. Nonwaiver of Rights. No delay or failure to exercise any right or remedy accruing to either MEP or Shipper upon breach or default by the other will impair any right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach be deemed a waiver of any other breach or default.

[FOR RATE SCHEDULE PALS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

h. Succession and Assignment. In the event any entity succeeds by purchase, merger or consolidation of title to the properties, substantially as an entirety, of Shipper, such entity shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Agreement. No other assignment of the Agreement nor of any of the individual rights or obligations hereunder by Shipper shall be effective as to MEP without the prior express written consent of MEP, provided, however, that the Agreement may be assigned by Shipper to a wholly or partially owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership, without prior written consent of MEP. The Agreement may be assigned by MEP to a wholly or partially owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership, which shall include Kinder Morgan Energy Partners, LP or any affiliate of Kinder Morgan Energy Partners, LP.).

i. No Third Party Beneficiaries. This Agreement shall not create any rights in any third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than MEP or Shipper.

j. Conformance to Law. It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matters related hereto, including without limitation the Federal Energy Regulatory Commission.

k. Effect of Tariff. This Agreement shall at all times be subject to all applicable provisions of MEP's FERC Gas Tariff.

l. GOVERNING LAW. THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ....., EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF .....

m. Entire Agreement. This Agreement contains the entire agreement between MEP and Shipper with respect to the subject matter hereof, and supersedes any and all prior understandings and agreements, whether oral or written, concerning the subject matter hereof, and any and all such prior understandings and agreements are hereby deemed to be void and of no effect. No amendments to or modifications of this Agreement shall be effective unless agreed upon in a written instrument executed by MEP and Shipper which expressly refers to this Agreement.

16. Rate Schedule PALS, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibit A is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF ....., AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to MEP if MEP must provide them to the FERC.

Agreed to by:

MEP	SHIPPER
/s/:	/s/: .....
NAME:	NAME: .....
TITLE:	TITLE: .....

Request Order RO No.: .....

PALS REQUEST ORDER FORM
DATED .....

Shipper: ..... Type of Service: Park ..... Loan .....

Initiation Point Name(s) and PIN(s):..... MAQ RO: .....Dth)

Completion Point Name(s) and PIN(s):..... Minimum Aggregate Quantity:.....

Term: Start ..... End ..... PALS Agreement #: .....

Schedule:

Date(s) Service to be Provided (May Reflect a Range of Dates)		Daily Quantity (Dth) (May Reflect a Range of Volumes)			
		Park or Loan Payback		Loan or Park Delivery	
From	Through	Minimum	Maximum	Minimum	Maximum
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Rates: Rates may vary based on volume, time period, etc., as set out in the a Service Agreement

Daily PALS Usage Charge:*.....

Service will be ON BEHALF OF:

..... Shipper or
..... Other: ....., a .....

SHIPPER'S CONTACT AND ADDRESS

.....
.
.....
.
.....
.

Phone: ..... Fax: .....

Other Conditions (if any): .....

Agreed to by:

MIDCONTINENTAL EXPRESS PIPELINE LLC SHIPPER

/s/: ..... /s/:.....

NAME: ..... NAME: .....

TITLE: ..... TITLE:

.....

* The rate shall be the applicable maximum rate and other applicable maximum lawful charges except as otherwise provided specified in writing, which agreement must be consistent with Section 34 or 30 of the General Terms and Conditions of this Tariff (relating to Discounting and Negotiated Rates, respectively.)

[FOR RATE SCHEDULE IBS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE IBS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS

1. SHIPPER is: ....., a .....

   a. If Shipper is affiliated with MEP, check here.....

2. Linked Transportation Agreement: .....

3. IBS MDQ: .....Dth per day,

4. Identification of End-Use Facility or Facilities ....

5. TERM: .....through .....;
   provided, however, that this Agreement shall terminate if the linked transportation Agreement is no longer in effect for any reason and the parties have not entered into or designated a substitute linked transportation Agreement. Further, service hereunder shall be suspended if the linked transportation Agreement is released and the parties have not entered into or designated substitute linked transportation; provided, however, that if the release is partial, service hereunder shall be suspended only partially, to the extent of the partial release. [Specify any contractual rollover rights and seasonal or other variable term rights, if any.]

6. Service will be on BEHALF OF (where applicable):

   ..... Shipper or
   ..... Other: ....., a .....

7. The ULTIMATE END USERS are (check one):

   ..... customers of the following LDC/pipeline company(ies): .....;
   ..... customers in these states:.....; or
   ..... customers within any state in the continental U.S.

8. ..... This Agreement supersedes and cancels a ..... Agreement dated .....

9. SHIPPER'S ADDRESSES MEP'S ADDRESSES

   ....
   ....
   ....

10. Any or all of the following provisions may be included (where applicable) in related negotiated rate or discount contracts, if any:

    a. (DISCOUNTED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Rates. Notwithstanding any other provision of this Agreement, in no event shall a discounted rate billed by MEP be less than the applicable minimum rate or more than the applicable maximum rate set forth in MEP FERC Gas Tariff, as may be revised from time to time.

    b. (NEGOTIATED RATE AGREEMENTS ONLY) Maximum and Minimum Tariff Rates. Unless otherwise expressly provided in this Agreement, the negotiated rates shall apply to service provided by MEP to Shipper for the term of the Agreement notwithstanding any otherwise applicable maximum or minimum rates set forth in MEP's FERC Gas Tariff as revised from time to time.

[FOR RATE SCHEDULE IBS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE IBS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

c. (DISCOUNTED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the discounted rate(s) apply, unless the relevant discounted rate billed to Shipper exceeds the corresponding applicable effective maximum rates set forth in MEP's FERC Gas Tariff, as approved by the FERC from time to time.

d. (NEGOTIATED RATE AGREEMENTS ONLY) Refunds. In no event shall MEP be required to refund to Shipper any amounts collected for service to which the negotiated rates apply, notwithstanding any otherwise applicable maximum or minimum rate set forth in MEP's FERC Gas Tariff, as may be revised from time to time.

e. (NEGOTIATED RATE AGREEMENTS ONLY) Shipper and MEP understand and agree that this Agreement shall be subject to any and all applicable conditions precedent under MEP's FERC Gas Tariff and the regulations and policies of the FERC, including without limitation any requirements for MEP to file for and receive FERC approval of the Negotiated Rates.

f. Notifications. Except as otherwise may be expressly provided herein, any notice or communication contemplated or required by this Agreement shall be in writing unless oral notification is expressly authorized herein, and shall be sent to the appropriate party at the relevant address set forth in the Agreement, as may be revised from time to time.

g. Nonwaiver of Rights. No delay or failure to exercise any right or remedy accruing to either Natural or Shipper upon breach or default by the other will impair any right or remedy or be construed to be a waiver of any such breach or default, not will a waiver of any single breach be deemed a waiver of any other breach or default.

h. Succession and Assignment. Any entity which shall succeed by purchase, merger or consolidation to title to the properties, substantially as an entirety, of MEP or Shipper as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. No other assignment of this Agreement nor of any of the individual rights or obligations hereunder by Shipper shall be effective as to MEP without the prior express written consent of MEP.

i. No Third Party Beneficiaries. This Agreement shall not create any rights in any third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than MEP or Shipper.

[FOR RATE SCHEDULE IBS]

Contract No. .....

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE IBS
AGREEMENT DATED .....
UNDER SUBPART ..... OF PART 284
OF THE FERC'S REGULATIONS (CON'T)

j. Conformance to Law. It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matters related hereto, including without limitation the Federal Energy Regulatory Commission.

k. Effect of Tariff. This Agreement shall at all times be subject to all applicable provisions of MEP's FERC Gas Tariff.

l. GOVERNING LAW. THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ....., EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF .....

m. Entire Agreement. This Agreement contains the entire agreement between MEP and Shipper with respect to the subject matter hereof, and supersedes any and all prior understandings and agreements, whether oral or written, concerning the subject matter hereof, and any and all such prior understandings and agreements are hereby deemed to be void and of no effect. No amendments to or modifications of this Agreement shall be effective unless agreed upon in a written instrument executed by MEP and Shipper which expressly refers to this Agreement.

11. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibit A, and Exhibit B (if applicable), is (are) a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF ....., AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to MEP if MEP must provide them to the FERC.

Agreed to by:

MIDCONTINENT EXPRESS PIPELINE LLC	SHIPPER
/s/:	/s/: .....
NAME:	NAME: .....
TITLE:	TITLE: .....

EXHIBIT A
DATED .....

Company:

Contract No.:

Delivery Point(s):

Delivery Pressure:

Name / Location	County/Parish Area	State	PIN No.	Zone	IBS MDQ (Dth)
.....	.....	.....	.....	.....	.....
.....					
.....					
.....					

If any end-use facility is not directly connected to MEP, a mutually acceptable IBS monitoring Agreement must be executed consistent with Rate Schedule IBS. If such an IBS Monitoring Agreement is not in place as to such an end-use, then this Agreement shall not apply to that end-use facility.

Rates

The rate shall be the applicable maximum rate and other applicable maximum lawful charges except as otherwise provided in a separate written agreement, which agreement must be consistent with Sections 34 or 30 of the General Terms and Conditions of this Tariff (relating to Discounting and Negotiated Rates, respectively).

Effective Date: 04/10/2009 Status: Effective
FERC Docket: RP09-136-000

Sheet Nos. 315 - 399 Sheet Nos. 315 - 399

Sheet Nos. 315 through 399 are being reserved for future use.