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**Original Sheet No. 0** Rockies Express Pipeline LLC (Entrega): Second Revised Volume No. 1  
Original Sheet No. 0 : Effective

FERC GAS TARIFF  
SECOND REVISED VOLUME NO. 1

of

ROCKIES EXPRESS PIPELINE LLC

Filed with the  
FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff  
should be submitted to:

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**Third Revised Sheet No. 1** Third Revised Sheet No. 1  
 Superseding: Second Revised Sheet No. 1

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**Second Revised Sheet No. 2** Second Revised Sheet No. 2  
Superseding: First Revised Sheet No. 2

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*FERC Docket: RP06-200-051*

**First Revised Sheet No. 3** First Revised Sheet No. 3  
Superseding: Original Sheet No. 3

PRELIMINARY STATEMENT

Rockies Express Pipeline LLC hereinafter referred to as "Transporter", "Transmission Provider," "Transportation Service Provider" or "TSP," is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. Section 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC" or "Commission." As used herein, "Transporter" shall not include any affiliates of Rockies Express Pipeline LLC.

Transporter is organized and existing under the laws of the state of Delaware and provides transportation service to Shippers that have executed a Transportation Service Agreement ("TSA") in the form contained in this Tariff.

Transporter's transmission facilities commence from Opal receipt points located in Lincoln County, Wyoming, and the Meeker receipt points located in Rio Blanco County, Colorado, and extend easterly to a variety of delivery locations through the states of Colorado, Wyoming, Nebraska, Missouri, Illinois, Indiana and Ohio.

This FERC Gas Tariff, Volume No. 1, includes statements of rates, rate schedules, general terms and conditions, and forms of Service Agreements for firm, interruptible and peak and loan transportation service provided by Transporter according to 18 C.F.R. Part 284, Subparts B and G.

*Effective Date: 04/01/2009 Status: Effective*

*FERC Docket: RP06-200-051*

**First Revised Sheet No. 4** First Revised Sheet No. 4

Superseding: Original Sheet No. 4

Sheet No. 4 contains a map that is not filed electronically.

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**First Revised Sheet No. 4A** First Revised Sheet No. 4A : Effective  
Superseding: Original Sheet No. 4A

Sheet No. 4A has been reserved for future use.

*Effective Date: 04/01/2008 Status: Effective*

*FERC Docket: RP08-242-000*

**First Revised Sheet No. 4B** First Revised Sheet No. 4B : Effective  
Superseding: Original Sheet No. 4B

Sheet No. 4B has been reserved for future use.

*Effective Date: 04/01/2008 Status: Effective*  
*FERC Docket: RP08-242-000*

**First Revised Sheet No. 4C** First Revised Sheet No. 4C : Effective  
Superseding: Original Sheet No. 4C

Sheet No. 4C has been reserved for future use.

Effective Date: 03/01/2009 Status: Effective  
 FERC Docket: RP06-200-051

**Alternate First Revised Sheet No. 5** Alternate First Revised Sheet No. 5  
 Superseding: Original Sheet No. 5

CURRENTLY EFFECTIVE RATES 1/

Rate Schedule FTS (Firm Transportation Service) 3/

| Receipt<br>Zone 2/ | Delivery<br>Zone 2/ | Maximum<br>Reservation | Maximum<br>Commodity | Minimum<br>Commodity |
|--------------------|---------------------|------------------------|----------------------|----------------------|
| Zone 1             | Zone 1              | \$7.0720               | \$0.0030             | \$0.0030             |
|                    | Zone 2              | \$23.5546              | \$0.0049             | \$0.0049             |
|                    | Zone 3              | \$50.2197              | \$0.0074             | \$0.0074             |
| Zone 2             | Zone 1              | \$23.5546              | \$0.0049             | \$0.0049             |
|                    | Zone 2              | \$16.4826              | \$0.0019             | \$0.0019             |
|                    | Zone 3              | \$43.1477              | \$0.0044             | \$0.0044             |
| Zone 3             | Zone 1              | \$50.2197              | \$0.0074             | \$0.0074             |
|                    | Zone 2              | \$43.1477              | \$0.0044             | \$0.0044             |
|                    | Zone 3              | \$26.6651              | \$0.0025             | \$0.0025             |

Rate Schedule ITS (Interruptible Transportation Service)

|        |        |          |          |
|--------|--------|----------|----------|
| Zone 1 | Zone 1 | \$0.2355 | \$0.0030 |
|        | Zone 2 | \$0.7793 | \$0.0049 |
|        | Zone 3 | \$1.6585 | \$0.0074 |
| Zone 2 | Zone 1 | \$0.7793 | \$0.0049 |
|        | Zone 2 | \$0.5438 | \$0.0019 |
|        | Zone 3 | \$1.4230 | \$0.0044 |
| Zone 3 | Zone 1 | \$1.6585 | \$0.0074 |
|        | Zone 2 | \$1.4230 | \$0.0044 |
|        | Zone 3 | \$0.8792 | \$0.0025 |

Authorized Overrun Service Charge (FTS & ITS)

The Authorized Overrun Service Charge for all Shippers shall be the applicable ITS maximum commodity rate per Dth of Gas applicable to all Gas delivered over the Shipper's MDQ.

Unauthorized Overrun Service Charge (FTS & ITS)

The Unauthorized Overrun Service Charge for all Shippers shall be the applicable ITS maximum commodity rate per Dth of Gas applicable to all Gas delivered over the Shipper's MDQ plus the applicable charges specified in Section 8.2 of Rate Schedules FTS and ITS.

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*FERC Docket: RP06-200-051*

**First Revised Sheet No. 5A** First Revised Sheet No. 5A  
Superseding: Original Sheet No. 5A

FOOTNOTES

Applicable to Rates stated on Sheet No. 5

- 1/ Reservation Rates are \$/Dth of MDQ/Month; Commodity and Overrun Service Charge Rates are \$/Dth. Any separately stated fees and/or charges are in addition to the rates stated herein.
- 2/ Zone 1 shall encompass all points west of and including the Cheyenne Hub, located in Weld County, Colorado.  
Zone 2 shall encompass all points east of the Cheyenne Hub to and including the PEPL Interconnect, located in Audrain County, Missouri.  
Zone 3 shall encompass all points east of the PEPL Interconnect, located in Audrain County, Missouri, to and including delivery points in Clarington, Ohio.
- 3/ The 100% load factor rate for FTS is equivalent to the ITS maximum commodity rate applicable to each zone or combination of zones.

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**Fifth Revised Sheet No. 6** Fifth Revised Sheet No. 6  
 Superseding: Fourth Revised Sheet No. 6

CURRENTLY EFFECTIVE RATES 1/

ITS/FTS Fuel and Lost and  
 Unaccounted-for Reimbursement Percentages 4/, 5/  
 -----

| Receipt Zone 2/ | Delivery Zone 2/ | Maximum Percentage | Minimum Percentage 3/ |
|-----------------|------------------|--------------------|-----------------------|
| Zone 1          | Zone 1           | 0.69% 6/           | 0.10%                 |
|                 | Zone 2           | 2.42%              | 0.10%                 |
|                 | Zone 3           | 3.59%              | 0.10%                 |
| Zone 2          | Zone 2           | 1.52%              | 0.10%                 |
|                 | Zone 3           | 2.69%              | 0.10%                 |
| Zone 3          | Zone 3           | 0.96%              | 0.10%                 |

- 1/ Fuel and Lost and Unaccounted-for Reimbursement Percentages ("FL&U %") shall be applied to and retained from volumes received into Transporter's System. This percentage is subject to adjustment in accordance with Section 38 of the General Terms and Conditions of this Tariff. Any separately stated fees and/or charges are in addition to the FL&U % stated above.
- 2/ Zone 1 shall encompass all points west of and including the Cheyenne Hub located in Weld County, Colorado. Zone 2 shall encompass all points east of the Cheyenne Hub, to and including the PEPL Interconnect, located in Audrain County, Missouri. Zone 3 shall encompass all points east of the PEPL Interconnect, located in Audrain County, Missouri, to and including delivery points in Clarington, Ohio.
- 3/ The minimum applicable FL&U percentage reflects only the L&U portion of the rate.
- 4/ The L&U component of the above stated rates is 0.10% for Zones 1 through 3, and shall apply to backhauls.
- 5/ Discounts or exemptions to the applicable FL&U percentages may only be afforded under FERC policy, as it may exist from time-to-time. Specific FL&U percentages may be developed, filed and included in this Tariff to apply to specific transactions, consistent with FERC policy. In such event, and absent provision otherwise, Transporter shall bear the risk of any under-recovery of FL&U, consistent with the provisions of Section 33 (Negotiated Rates) of the General Terms and Conditions of this Tariff.
- 6/ Firm transportation provided by the incremental capacity approved by FERC order issued July 16, 2009 at Docket No. CP09-58-000 (Meeker to Cheyenne Expansion Project), shall be assessed 1.42% incremental fuel and the applicable L&U component of 0.10% for all receipt and delivery points between the Meeker Hub and Wamsutter Hub and all receipt and delivery points between the Wamsutter Hub and the Cheyenne Hub, in lieu of the otherwise applicable Zone 1 fuel rate component.

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 FERC Docket: RP06-200-051

**Alternate First Revised Sheet No. 7** Alternate First Revised Sheet No. 7  
 Superseding: Original Sheet No. 7

CURRENTLY EFFECTIVE RATES 1/, 2/

|   | Rate per Dth |          |
|---|--------------|----------|
|   | Maximum      | Minimum  |
|   | -----        | -----    |
| Zone 1 Rate Schedule PALS (Park and Loan Service) |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.2355     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.1178     | \$0.0000 |
| Completion Rate                                   | \$0.2355     | \$0.0000 |
| Zone 1 Overrun Service Charge (PALS)              |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.2355     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.2355     | \$0.0000 |
| Completion Rate                                   | \$0.2355     | \$0.0000 |
| Zone 2 Rate Schedule PALS (Park and Loan Service) |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.5438     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.2719     | \$0.0000 |
| Completion Rate                                   | \$0.5438     | \$0.0000 |
| Zone 2 Overrun Service Charge (PALS)              |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.5438     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.5438     | \$0.0000 |
| Completion Rate                                   | \$0.5438     | \$0.0000 |
| Zone 3 Rate Schedule PALS (Park and Loan Service) |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.8792     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.4396     | \$0.0000 |
| Completion Rate                                   | \$0.8792     | \$0.0000 |
| Zone 3 Overrun Service Charge (PALS)              |              |          |
| -----   |              |          |
| Initial Rate                                      | \$0.8792     | \$0.0000 |
| Park/Loan Balance Rate                            | \$0.8792     | \$0.0000 |
| Completion Rate                                   | \$0.8792     | \$0.0000 |

- 1/ Commodity and Overrun Service Charges are \$/Dth.
- 2/ PALS rates are derived from Interruptible Transportation Rates reflected on the applicable rate sheet of this Tariff.

*Effective Date: 09/01/2007 Status: Effective*

*FERC Docket: CP06-354-002*

**Sheet No. 7A** Sheet No. 7A : Effective

Sheet No. 7A has been reserved for future use.

Effective Date: 10/14/2009 Status: Effective  
FERC Docket: RP10-49-000

**Third Revised Sheet No. 7B** Third Revised Sheet No. 7B  
Superseding: Second Revised Sheet No. 7B

CURRENTLY EFFECTIVE RATES 1/

|  | Rate per Dth |          |
|--|--------------|----------|
|  | Maximum      | Minimum  |
|  | -----        | -----    |
| ACA Rate 2/<br>(FTS, ITS and PAWS-Wheeling Service)<br>----- | \$0.0019     | \$0.0019 |

- 1/ Commodity and Overrun Service Charges are \$/Dth.
- 2/ ACA rate is assessed pursuant to Section 30 of the General Terms and Conditions of this Tariff.

Effective Date: 04/01/2010 Status: Effective  
 FERC Docket: RP10-410-000

**Fourth Revised Sheet No. 7C** Fourth Revised Sheet No. 7C  
 Superseding: Third Revised Sheet No. 7C

CURRENTLY EFFECTIVE RATES 1/

Cheyenne Booster Facilities Rate 2/  
 -----

|                               | Maximum<br>Reservation | Maximum<br>Commodity | Minimum<br>Commodity | Fuel<br>Reimbursement %<br>5/, 6/ |
|-------------------------------|------------------------|----------------------|----------------------|-----------------------------------|
| Rate Schedule FTS:            | \$1.8631               | \$0.0009             | \$0.0009             | 0.31%                             |
| Rate Schedule ITS:            |                        | \$0.0622             | \$0.0009             | 0.31%                             |
| Rate Schedule PAWS - Wheeling |                        | \$0.0622             | \$0.0009             | 0.31%                             |
| Rate Schedule PAWS - Pooling  |                        | \$0.0622             | \$0.0009             | 0.31%                             |

Meeker Booster Facilities Rate 3/  
 -----

|                               | Maximum<br>Reservation | Maximum<br>Commodity | Minimum<br>Commodity | Fuel<br>Reimbursement %<br>5/, 6/ |
|-------------------------------|------------------------|----------------------|----------------------|-----------------------------------|
| Rate Schedule FTS:            | \$1.1921               | \$0.0024             | \$0.0024             | 0.42%                             |
| Rate Schedule ITS:            |                        | \$0.0416             | \$0.0024             | 0.42%                             |
| Rate Schedule PAWS - Wheeling |                        | \$0.0416             | \$0.0024             | 0.42%                             |
| Rate Schedule PAWS - Pooling  |                        | \$0.0416             | \$0.0024             | 0.42%                             |

Overthrust Lease Facilities Rate 4/  
 -----

|                               | Maximum<br>Reservation | Maximum<br>Commodity | Minimum<br>Commodity |
|-------------------------------|------------------------|----------------------|----------------------|
| Rate Schedule FTS:            |                        | \$3.8751             | \$0.0000             |
| Rate Schedule ITS:            |                        |                      | \$0.1274             |
| Rate Schedule PAWS - Wheeling |                        | \$0.1274             | \$0.0000             |
| Rate Schedule PAWS - Pooling  |                        | \$0.0000             | \$0.0000             |

Pooling and Wheeling Service (PAWS) Rate  
 -----

|          | Maximum<br>Commodity | Minimum<br>Commodity | Lost and<br>Unaccounted-for<br>Reimbursement %<br>5/, 6/ |
|----------|----------------------|----------------------|--|
| Pooling  | \$0.0000             | \$0.0000             | 0.00%  |
| Wheeling | \$0.0523             | \$0.0000             | 0.10%  |

Authorized Overrun Service Charge (PAWS)  
 -----

The Authorized Overrun Service Charge for all Shippers shall be the applicable PAWS-Pooling or PAWS-Wheeling maximum commodity rate per Dth of Gas applicable to all Gas delivered over the Shipper's MDQ.

Unauthorized Overrun Service Charge (PAWS)  
 -----

The Unauthorized Overrun Service Charge for all Shippers shall be the applicable PAWS-Pooling or PAWS-Wheeling maximum commodity rate per Dth of Gas applicable to all Gas delivered over the Shipper's MDQ plus the applicable charges specified in Section 8.2 of Rate Schedules PAWS.

Effective Date: 01/01/2008 Status: Effective  
FERC Docket: RP08-90-000

**First Revised Sheet No. 7D** First Revised Sheet No. 7D : Effective  
Superseding: Original Sheet No. 7D

FOOTNOTES

Applicable to Rates stated on Sheet No. 7C

- 1/ Reservation Rates are \$/Dth of MDQ/Month. Commodity Rates are \$/Dth. These fees and charges are in addition to the zone rates stated on the applicable rate sheets of this Tariff.
- 2/ Receipts entering Transporter's System via the Cheyenne Booster Facilities (formerly known as the "Cheyenne Hub Facilities"), as defined in the General Terms and Conditions of this Tariff, will be assessed the Cheyenne Booster Facilities Rate (formerly known as the "Cheyenne Hub Facilities Rate") per Dth and the Fuel and Lost and Unaccounted-for Reimbursement Percentage associated with the Cheyenne Booster Facilities. The Cheyenne Booster Facilities are located at the boundary between Zones 1 and 2 of Transporter's system. The Cheyenne Booster Facilities Rate shall be the only applicable rate for transactions using only the Cheyenne Booster Facilities. A Shipper transporting Gas through the Cheyenne Hub from Zone 1 to Zone 2 or vice versa will not be charged the incremental Cheyenne Booster Facilities Rate. The Cheyenne Booster Facilities Rate shall be incrementally applicable only when such facilities are used in conjunction with Transporter's other upstream or downstream facilities.
- 3/ Receipts entering Transporter's System via the Meeker Booster Facilities (formerly known as the "Meeker Hub Facilities"), as defined in the General Terms and Conditions of this Tariff, will be assessed the Meeker Booster Facilities Rate (formerly known as the "Meeker Hub Facilities Rate") per Dth and the Fuel and Lost and Unaccounted-for Reimbursement Percentage associated with the Meeker Booster Facilities. The Meeker Booster Facilities Rate shall be the only applicable rate for transactions using only the Meeker Booster Facilities. The Meeker Booster Facilities Rate shall be incrementally applicable only when such facilities are used in conjunction with Transporter's other downstream facilities.
- 4/ Transactions utilizing Transporter's System via the Overthrust Lease Facilities as defined in the General Terms and Conditions of this Tariff, will be assessed the Overthrust Lease Facilities Rate per Dth. The Overthrust Lease Facilities Rate shall be the only applicable rate for transactions using only the Overthrust Lease Facilities. The Overthrust Lease Facilities Rate shall be incrementally applicable when these facilities are used in conjunction with Transporter's other downstream facilities.
- 5/ Each of these percentages is subject to adjustment in accordance with Section 38 of the General Terms and Conditions of this Tariff.

*Effective Date: 09/01/2007 Status: Effective*

*FERC Docket: CP06-354-002*

**Original Sheet No. 7E** Original Sheet No. 7E : Effective

FOOTNOTES

Applicable to Rates stated on Sheet No. 7C, continued

- 6/ Discounts or exemptions to the applicable FL&U percentages may only be afforded under FERC policy, as it may exist from time-to-time. Specific FL&U percentages may be developed, filed and included in this Tariff to apply to specific transactions, consistent with FERC policy. In such event, and absent provision otherwise, Transporter shall bear the risk of any under-recovery of FL&U, consistent with the provisions of Section 33 (Negotiated Rates) of the General Terms and Conditions of this Tariff.

Effective Date: 04/05/2010 Status: Effective  
 FERC Docket: RP10-474-000

**First Revised Sheet No. 7.01** First Revised Sheet No. 7.01  
 Superseding: Alternate Original Sheet No. 7.01

CURRENTLY EFFECTIVE RATES 1/

|  | Rate per Dth |          |
|--|--------------|----------|
|  | Maximum      | Minimum  |
| -----  |              |          |
| System-Wide Rate Schedule PALS (Park and Loan Service)2/ |              |          |
| -----  |              |          |
| Initial Rate   | \$1.6585     | \$0.0000 |
| Park/Loan Balance Rate                                   | \$0.8293     | \$0.0000 |
| Completion Rate  | \$1.6585     | \$0.0000 |
| -----  |              |          |
| System-Wide Overrun Service Charge (PALS)2/              |              |          |
| -----  |              |          |
| Initial Rate   | \$1.6585     | \$0.0000 |
| Park/Loan Balance Rate                                   | \$1.6585     | \$0.0000 |
| Completion Rate  | \$1.6585     | \$0.0000 |

Note: The Overrun Service Charge shall be applied pursuant to Section 6.2 of the PALS Rate Schedule, plus any other applicable charges specified in Rate Schedule PALS.

Rate Schedule IBS

|  |          |          |
|--|----------|----------|
| -----  |          |          |
| Daily Access Rate (Section 5.2)              | \$0.6911 | \$0.0000 |
| Park/Loan Daily Balance Rate (Section 6.4)   | \$0.8293 | \$0.0000 |
| -----  |          |          |
| Authorized Overrun Service (IBS)             |          |          |
| -----  |          |          |
| Daily Access Rate (Section 7.1 B)            | \$0.6911 | \$0.0000 |
| Park/Loan Daily Balance Rate (Section 7.1 A) | \$0.8293 | \$0.0000 |
| Contract MDQ Rate(Section 7.1 C)             | \$1.6585 | \$0.0000 |

Note: Authorized Overrun Service rates shall be applied pursuant to Section 7.1 of the IBS Rate Schedule, plus any other applicable charges specified in Rate Schedule IBS.

- 1/ Commodity and Overrun Service Charges are \$/Dth.  
 2/ PALS rates are derived from Interruptible Transportation Rates reflected on the applicable rate sheet of this Tariff.

Effective Date: 02/13/2010 Status: Effective  
 FERC Docket: RP10-372-000

**Eighth Revised Sheet No. 8** Eighth Revised Sheet No. 8  
 Superseding: Seventh Revised Sheet No. 8

STATEMENT OF NEGOTIATED RATES

| Reservation<br>Shipper/Rate Schedule<br>Primary<br>Identification<br>Delivery Pts. | Commodity<br>Contract<br>Term | MDQ     | Rate<br>(\$/Dth of MDQ/Month) | Rate<br>(\$/Dth) | Primary<br>Receipt Pts. |
|--|-------------------------------|---------|-------------------------------|------------------|-------------------------|
| Arrowhead Resources<br>(U.S.A.) Ltd.<br>1/<br>k553073 (FT)                         | 6/29/09<br>11/11/19           | 10,000  | 1/                            | 1/               | 1/                      |
| Berry Petroleum Company<br>k553074 (FT)<br>1/                                      | 6/29/09<br>11/11/19           | 10,000  | 1/                            | 1/               | 1/                      |
| Bill Barrett Corporation<br>k553075 (FT)<br>7/                                     | 6/29/09<br>11/11/19           | 25,000  | 1/                            | 1/               | 1/                      |
| BP Energy Company 3/<br>k553076 (FT)<br>11/  | 6/29/09<br>11/11/19           | 300,000 | 11/                           | 11/              | 11/                     |
| ConocoPhillips<br>Company 3/ k553077 (FT)<br>6/                                    | 6/29/09<br>11/11/19           | 400,000 | 1/                            | 1/               | 1/                      |
| Shell Energy North America<br>(US), L.P. k552042 (FT)<br>1/                        | 1-12-08<br>5-19-18            | 28,000  | 1/                            | 1/               | 1/                      |

Effective Date: 02/13/2010 Status: Effective  
 FERC Docket: RP10-372-001

**Substitute Eleventh Revised Sheet No. 8A** Substitute Eleventh Revised Sheet No. 8A  
 Superseding: Eleventh Revised Sheet No. 8A

STATEMENT OF NEGOTIATED RATES

| Shipper/Rate Schedule<br>Primary<br>Identification<br>Delivery Pts. | Contract<br>Term    | MDQ     | Reservation<br>Rate<br>(\$/Dth of MDQ/Month) | Commodity<br>Rate<br>(\$/Dth) | Primary<br>Receipt Pts. |
|---|---------------------|---------|--|-------------------------------|-------------------------|
| EnCana<br>Marketing (USA) 4/ Inc.<br>k551979 (FT)<br>2/             | 2-14-07<br>2-13-22  | 500,000 | 2/   | 2/                            | 2/                      |
| EnCana Marketing<br>(USA) Inc. 4/ k553078 (FT)<br>7/                | 5-20-08<br>5-19-19  | 512,000 | 1/   | 1/                            | 1/                      |
| EOG Resources, Inc.<br>K553079 (FT)<br>5/                           | 6-29-09<br>11-11-19 | 50,000  | 1/   | 1/                            | 1/                      |
| Sempra Rockies<br>Marketing, LLC 3/<br>8/<br>k553081 (FT)           | 6-29-09<br>11-11-19 | 200,000 | 1/   | 1/                            | 1/                      |
| Ultra Resources, Inc. 3/<br>k553082 (FT)<br>9/                      | 6-29-09<br>11-11-19 | 200,000 | 1/   | 1/                            | 1/                      |

Effective Date: 06/01/2010 Status: Effective

FERC Docket: RP10-789-000

**Ninth Revised Sheet No. 8B** Ninth Revised Sheet No. 8B

Superseding: Eighth Revised Sheet No. 8B

STATEMENT OF NEGOTIATED RATES

| Shipper/Rate Schedule<br>Primary<br>Identification<br>Delivery Pts. | Contract<br>Term    | MDQ     | Reservation<br>Rate<br>(\$/Dth of MDQ/Month) | Commodity<br>Rate<br>(\$/Dth) | Primary<br>Receipt Pts. |
|---|---------------------|---------|--|-------------------------------|-------------------------|
| Yates Petroleum<br>Corporation<br>1/<br>K553083 (FT)                | 6/29/09<br>11/11/19 | 28,000  | 1/   | 1/                            | 1/                      |
| Yates Petroleum<br>Corporation<br>1/<br>K553128 (FT)                | 6/29/09<br>11/11/19 | 15,000  | 1/   | 1/                            | 1/                      |
| Wyoming Interstate<br>Company, Ltd<br>10/<br>K 553362               | 12/9/09<br>12/8/19  | 200,000 | 10/  | 10/                           | 10/                     |
| Concord Energy<br>12/<br>555257                                     | 6/ 1/10<br>6/30/10  | 10,000  | 12/  | 12/                           | 12/                     |
| Enserco Energy<br>12/<br>555259                                     | 6/ 1/10<br>6/30/10  | 10,000  | 12/  | 12/                           | 12/                     |
| Northwind Resources, LLC<br>12/<br>555264                           | 6/ 1/10<br>6/30/10  | 10,000  | 12/  | 12/                           | 12/                     |

Effective Date: 06/01/2010 Status: Effective  
 FERC Docket: RP10-789-000

**Eighth Revised Sheet No. 8C** Eighth Revised Sheet No. 8C  
 Superseding: Seventh Revised Sheet No. 8C

STATEMENT OF NEGOTIATED RATES

| Shipper/Rate Schedule<br>Primary<br>Identification<br>Receipt Pts. | Contract<br>Primary<br>Delivery Pts. | Term               | MDQ    | Reservation<br>Rate<br>(\$/Dth of MDQ/Month) | Commodity<br>Rate<br>(\$/Dth) |
|--|--------------------------------------|--------------------|--------|--|-------------------------------|
| J.P. Morgan Ventures<br>12/<br>Energy Corporation<br>555265        | 12/                                  | 6/ 1/10<br>6/30/10 | 10,000 | 12/  | 12/                           |

Effective Date: 10/07/2009 Status: Effective  
FERC Docket: RP10-38-000

**Eighth Revised Sheet No. 8D** Eighth Revised Sheet No. 8D  
Superseding: Seventh Revised Sheet No. 8D

STATEMENT OF NEGOTIATED RATES

| Shipper/Rate Schedule<br>Primary<br>Identification<br>Delivery Pts. | Contract<br>Term | MDQ | Reservation<br>Rate<br>(\$/Dth of MDQ/Month) | Commodity<br>Rate<br>(\$/Dth) | Primary<br>Receipt Pts. |
|---|------------------|-----|--|-------------------------------|-------------------------|
|---|------------------|-----|--|-------------------------------|-------------------------|

This Sheet reserved for future use.

Effective Date: 06/01/2010 Status: Effective

FERC Docket: RP10-789-000

**Twentieth Revised Sheet No. 9** Twentieth Revised Sheet No. 9

Superseding: Nineteenth Revised Sheet No. 9

FOOTNOTES  
Applicable to Negotiated Rates

- 1/ This information is set out in the executed negotiated rate agreement filed with the FERC on February 20, 2009 at Docket No. CP07-208.
- 2/ This information is set out in the executed negotiated rate agreement filed with the FERC on December 15, 2006 and as further amended on August 20, 2008 at Docket No. RP06-200-047 and July 31, 2009 at Docket No. RP06-200-054 and September 3, 2009 at Docket No. RP06-200-062.
- 3/ This Shipper has been designated as an Anchor Shipper and afforded all Anchor Shipper rights as defined and set forth in the General Terms and Conditions of this Tariff.
- 4/ This Shipper has been designated as a Foundation Shipper and afforded all Foundation Shipper rights as defined and set forth in the General Terms and Conditions of this Tariff.
- 5/ This information is set out in the amended and restated FTSA filed with the FERC on July 16, 2009 at Docket No. RP06-200-052.
- 6/ This information is set out in the amended and restated FTSA filed with the FERC on August 19, 2009 at Docket No. RP06-200-057.
- 7/ This information is set out in the amended and restated FTSA filed with the FERC on October 14, 2009 at Docket No. RP10-38-001.
- 8/ This information is set out in the amended and restated FTSA filed with the FERC on November 12, 2009 at Docket No. RP10-\_\_\_\_\_.
- 9/ This information is set out in the amended and restated FTSA filed with the FERC on October 23, 2009 at Docket No. RP10-49.
- 10/ This information is set out in the executed negotiated rate agreement filed with the Commission on November 9, 2009 at Docket No. RP10-133.
- 11/ This information is set out in the amended and restated FTSA filed with the FERC on November 13, 2009.
- 12/ This information is set out in the amended and restated TSAs filed with the FERC on May 28, 2010.

*Effective Date: 10/07/2009 Status: Effective*

*FERC Docket: RP10-38-000*

**Fifth Revised Sheet No. 9A** Fifth Revised Sheet No. 9A  
Superseding: Fourth Revised Sheet No. 9A

FOOTNOTES  
Applicable to Negotiated Rates  
(Continued)

This Sheet has been reserved for future use.

*Effective Date: 06/01/2010 Status: Effective*

*FERC Docket: RP10-789-000*

**Fifth Revised Sheet No. 9B** Fifth Revised Sheet No. 9B

Superseding: Fourth Revised Sheet No. 9B

FOOTNOTES

Applicable to Negotiated Rates  
(Continued)

Reserved for future use

Effective Date: 08/18/2009 Status: Effective

FERC Docket: RP06-200-056

**Third Revised Sheet No. 9C** Third Revised Sheet No. 9C

Superseding: Second Revised Sheet No. 9C

The Following Sheets Have Been Reserved for Future Use:

Sheet Nos. 9C through 9O

The following Tariff Sheets have been superseded:

Second Revised Sheet No. 9C  
Original Sheet No. 9C.01  
First Revised Sheet No. 9D  
Original Sheet No. 9D.01  
Original Sheet No. 9E  
Second Revised Sheet No. 9E.01  
Original Sheet No. 9F  
First Revised Sheet No. 9G  
Third Revised Sheet No. 9H  
Fourth Revised Sheet No. 9H.01  
First Revised Sheet No. 9I  
Second Revised Sheet No. 9J  
Third Revised Sheet No. 9J.01  
Original Sheet No. 9K  
Original Sheet No. 9L  
Second Revised Sheet No. 9M  
First Revised Sheet No. 9M.01  
Second Revised Sheet No. 9N  
First Revised Sheet No. 9O

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**First Revised Sheet No. 9D** First Revised Sheet No. 9D  
Superseding: Original Sheet No. 9D

FOOTNOTES  
Applicable to Negotiated Rates

7/ [BP k552036] This agreement does not conform to the Form of Service Agreement contained in this Tariff and is therefore on file with the Commission in Docket No. CP06-354, submitted November 14, 2007.

The term of this Agreement shall commence on the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

In the event Transporter places REX West Facilities in service on a firm basis before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$21.1091 per Dth per month until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter is unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Interim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|  |        |
|--|--------|
| Primary Receipt Point                          | MDRQ   |
| WFS/REX Echo Springs Sweetwater (PIN 42760)    | 98,176 |
| Primary Delivery Points                        | MDDQ   |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 58,226 |
| NNG/REX Gage County (PIN 43037)                | 30,830 |
| ANR/REX Brown County (PIN 43038)               | 9,120  |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$10.5546 per Dth per month applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$24.1508 per Dth of MDQ per month and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zones 1 and 2 of Transporter's pipeline system, including primary receipt and delivery points on Transporter's system which are located on the Overthrust Lease Facilities, as that term is defined in Transporter's Tariff.

Effective Date: 12/14/2007 Status: Effective  
FERC Docket: CP06-354-003

**Original Sheet No. 9E** Original Sheet No. 9E : Effective

FOOTNOTES  
Applicable to Negotiated Rates

8/ [ConocoPhillips k552037] The term of this Agreement shall commence on the later of the date the Lost Creek Facilities are placed in-service or the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the later of the date the Lost Creek facilities are placed in service or the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

In the event Transporter places REX West facilities in service on a firm basis before firm service is available from the Lost Creek Facilities, Transporter shall provide interruptible service to Shipper for which Shipper shall pay, as a discounted commodity rate, \$0.8015 per Dth for actual volumes nominated and scheduled at the TransColorado/REX Love Ranch (PIN 42235) Primary Receipt Point and \$0.774 per Dth for actual volumes received at other Receipt Points under this Agreement.

In the event Transporter places REX West Facilities in service on a firm basis, including the Lost Creek Facilities, before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$20.5008 per Dth per month until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter may be unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Interim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|  |         |
|--|---------|
| Primary Receipt Point                          | MDRQ    |
| REX/TransCol Love Ranch Rio Blanco (PIN 42235) | 226,560 |
| WFSC/REX Opal Lincoln (PIN 43462)              | 135,935 |
| Primary Delivery Points                        | MDDQ    |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 169,144 |
| NNG/REX Gage County (PIN 43037)                | 5,830   |
| ANR/REX Brown County (PIN 43038)               | 187,521 |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$10.2504 per Dth per month applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

Effective Date: 12/14/2007 Status: Effective  
FERC Docket: CP06-354-003

**Original Sheet No. 9F** Original Sheet No. 9F : Effective

FOOTNOTES  
Applicable to Negotiated Rates

9/ [Coral k552042] Shipper receives the same rollover rights and Rights of First Refusal afforded to Anchor Shippers, as such rights are set forth in Sections 17.2D and 17.3J, respectively, of the General Terms and Conditions of this Tariff.

The term of this Agreement shall commence on the in-service date of REX West for firm service and shall continue for ten (10) years.

This Negotiated Rate shall also apply to all Receipt and Delivery Points within Zone 1 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

Shipper's reservation rate shall be \$8.2125 per Dth of MDQ per month and Shipper's quantities have been designated for receipt and delivery at the following points:

|                                   |        |
|-----------------------------------|--------|
| Primary Receipt Points            | MDRQ   |
| WFSC/REX Opal Lincoln (PIN 43462) | 28,000 |
| Primary Delivery Points           | MDDQ   |
| TPC/REX Lonetree Weld (PIN 42717) | 28,000 |

*Effective Date: 09/24/2008 Status: Effective*  
*FERC Docket: RP06-200-047*

**First Revised Sheet No. 9G** First Revised Sheet No. 9G  
Superseding: Original Sheet No. 9G

FOOTNOTES  
Applicable to Negotiated Rates

10/ [EnCana k551979] This agreement does not conform to the Form of Service Agreement contained in this Tariff and is therefore on file with the Commission in Docket No. RP06-200-017, and as further amended on August 20, 2008.

Effective Date: 07/01/2008 Status: Effective  
FERC Docket: RP06-200-044

**Third Revised Sheet No. 9H** Third Revised Sheet No. 9H  
Superseding: Second Revised Sheet No. 9H

FOOTNOTES  
Applicable to Negotiated Rates

11/ [EnCana k552130] The term of this Agreement shall commence on the in-service date of REX West for firm service (other than Interim Service as defined below) and shall continue until the earlier of: (i) eleven (11) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

This contract is subject to a Steel Price Adjustment, as outlined below and which shall be added to or subtracted from the Negotiated Reservation Rate. However, the final adjusted rate will be neither higher than \$0.40 monthly equivalent per Dth per month (\$12.1667 per Dth per month) nor lower than \$0.10 monthly equivalent per Dth per month (\$3.0417 per Dth per month) for Interim Service and neither higher than \$0.50 monthly equivalent per Dth per month (\$15.2083 per Dth per month) nor lower than \$0.20 monthly equivalent per Dth per month (\$6.0833 per Dth per month) for full service.

The formula for determining the Steel Price Adjustment shall be:

$$(\text{Steel Cost Realized} - \$584,016,522 \text{ (Gulf Steel Cost Estimate)})$$
$$\$1,000,000 * [\text{monthly equivalent of } \$0.0002/\text{Dth}]$$

Transporter shall determine the actual Steel Price Adjustment no later than forty-five (45) days following the in-service date of REX West for firm service other than Interim Service and Transporter shall either: i) refund to Shipper any amount over-collected, or ii) invoice Shipper for any under-collection caused by a difference in the estimated and actual Steel Price Adjustment. The in-service date of the REX West Facilities for firm service, other than Interim Service, was May 20, 2008. Transporter has determined the actual Steel Price Adjustment shall be a credit to Shipper in the amount of \$0.2347 per Dth per month.

In the event Transporter is able to place REX West Facilities in service on a firm basis, before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall have the option of commencing service and shall provide Transporter with thirty (30) days written notice of its election to commence service early and Shipper shall pay an Interim Negotiated Reservation Rate of \$12.0635 per Dth per month, adjusted to reflect the Steel Price Adjustment plus other applicable charges and surcharges in accordance with Transporter's Tariff.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter is unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**First Revised Sheet No. 9I** First Revised Sheet No. 9I  
Superseding: Original Sheet No. 9I

FOOTNOTES  
Applicable to Negotiated Rates

12/ [EOG k552043] The term of this Agreement shall commence on the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

In the event Transporter places REX West Facilities in service on a firm basis, before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$21.1091 per Dth per month until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter may be unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Inerim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|  |        |
|--|--------|
| Primary Receipt Point                          | MDRQ   |
| WFSC/REX Opal Lincoln (PIN 43462)              | 45,243 |
| Primary Delivery Points                        | MDDQ   |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 21,456 |
| ANR/REX Brown County (PIN 43038)               | 23,787 |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$10.5546 per Dth per month applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$24.1508 per Dth of MDQ per month and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zones 1 and 2 of Transporter's pipeline system, including primary receipt and delivery points on Transporter's system which are located on the Overthrust Lease Facilities, as that term is defined in Transporter's Tariff.

This negotiated rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

Effective Date: 07/01/2008 Status: Effective  
FERC Docket: RP06-200-044

**Second Revised Sheet No. 9J** Second Revised Sheet No. 9J  
Superseding: First Revised Sheet No. 9J

FOOTNOTES  
Applicable to Negotiated Rates

13/ [Sempra k552038] The term of this Agreement shall commence on the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

This contract is subject to a Steel Price Adjustment, as outlined below and which shall be added to or subtracted from the Negotiated Reservation Rate. However, the final adjusted rate will be neither higher than \$0.824 monthly equivalent per Dth per month, nor lower than \$0.724 monthly equivalent.

The formula for determining the Steel Price Adjustment shall be:  
(actual realized steel cost per ton in the construction of REX West - \$1,275 per ton) \* (actual tons of steel) / \$1,000,000 \* [monthly equivalent of \$0.0002/Dth]

Transporter shall determine the actual Steel Price Adjustment no later than forty-five (45) days following the in service date of REX West for firm service other than Interim Service and Transporter shall either: i) refund to Shipper an amount over-collected, or ii) invoice Shipper for any under-collection caused by a difference in the estimated and actual Steel Price Adjustment. The in-service date of the REX West Facilities for firm service, other than Interim Service, was May 20, 2008. Transporter has determined the actual Steel Price Adjustment shall be a credit in the amount of \$0.0728 per Dth per month.

In the event Transporter places REX West Facilities in service on a firm basis, before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$20.5008 per Dth per month, adjusted for the Steel Price Adjustment, until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter is unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Interim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|  |        |
|--|--------|
| Primary Receipt Points                         | MDRQ   |
| ENC Gath/REX Meeker Rio Blanco (PIN 42234)     | 83,710 |
| WFSC/REX Opal Lincoln (PIN 43462)              | 83,709 |
| Primary Delivery Points                        | MDDQ   |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 78,682 |
| NNG/REX Gage County (PIN 43037)                | 5,830  |
| ANR/REX Brown County (PIN 43038)               | 82,907 |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$11.7713 per Dth per month, adjusted for the Steel Price Adjustment, applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

Effective Date: 12/14/2007 Status: Effective  
FERC Docket: CP06-354-003

Original Sheet No. 9K Original Sheet No. 9K : Effective

FOOTNOTES  
Applicable to Negotiated Rates

14/ [Ultra k552047] The term of this Agreement shall commence on the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

In the event Transporter places REX West Facilities in service on a firm basis before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$20.5008 per Dth per month until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter is unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Interim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|  |         |
|--|---------|
| Primary Receipt Point                          | MDRQ    |
| WFSC/REX Opal Lincoln (PIN 43462)              | 146,432 |
| EP Inc REX Opal Lincoln (PIN 43463)            | 48,811  |
| Primary Delivery Points                        | MDDQ    |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 71,456  |
| NNG/REX Gage County (PIN 43037)                | 50,000  |
| ANR/REX Brown County (PIN 43038)               | 73,787  |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$10.2504 per Dth per month applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$23.5425 per Dth of MDQ per month and Shipper's quantities have been designated for receipt and delivery at the following Points:

|  |         |
|--|---------|
| Primary Receipt Points                   | MDRQ    |
| WFSC/REX Opal Lincoln (PIN 43462)        | 150,000 |
| EP Inc REX Opal Lincoln (PIN 43463)      | 50,000  |
| Primary Delivery Points                  | MDDQ    |
| NGPL/REX Jefferson (PIN 42499)           | 50,000  |
| NNG/REX Gage County Delivery (PIN 43037) | 50,000  |
| ANR/REX Brown (PIN 43038)                | 50,000  |
| PEPL/REX Audrain County (PIN 43039)      | 50,000  |

This negotiated rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

Effective Date: 12/14/2007 Status: Effective  
FERC Docket: CP06-354-003

Original Sheet No. 9L Original Sheet No. 9L : Effective

FOOTNOTES  
Applicable to Negotiated Rates

15/ [USMMS k552046] This agreement does not conform to the Form of Service Agreement contained in this Tariff and is therefore on file with the Commission in Docket No. CP06-354, submitted November 14, 2007.

The term of this Agreement shall commence on the in-service date of REX West for firm service (including Interim Service as defined below) and shall continue until the earlier of: i) the date ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, or ii) the effective date of a superseding REX East Agreement.

In the event Transporter places REX West Facilities in service on a firm basis, before firm service is available to PEPL-Audrain, but with interconnections at PINs 42499, 43037 and 43038 ("Interim Service"), Shipper shall pay an Interim Negotiated Reservation Rate of \$21.1091 per Dth per month until service on a firm basis to PEPL-Audrain is available and Transporter is capable of delivering Shipper's Contract MDQ to Shipper's Primary Delivery Points.

In the event Transporter is unable to provide Interim Service to Shipper in an aggregate quantity equal to Shipper's Contract MDQ, then for any such period of time as Transporter may be unable to provide such level of Interim Service, Shipper shall pay the Interim Negotiated Reservation Rate applied to the aggregate quantity of firm service, up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper.

During Interim Service Shipper's quantities have been designated for receipt and delivery at the following points:

|                                   |        |
|-----------------------------------|--------|
| Primary Receipt Point             | MDRQ   |
| WFSC/REX Opal Lincoln (PIN 43462) | 45,243 |

|  |        |
|--|--------|
| Primary Delivery Points                        | MDDQ   |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 21,456 |
| ANR/REX Brown County (PIN 43038)               | 23,787 |

If Interim Service continues for a period greater than twelve consecutive months, then Shipper's Interim Negotiated Reservation Rate shall be prospectively reduced to \$10.5564 per Dth per month applied to the aggregate quantity of firm service up to Shipper's Contract MDQ, that Transporter is able to provide to Shipper from the beginning of the thirteenth month until full service to PEPL-Audrain is available.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$24.1508 per Dth of MDQ per month and Shipper's quantities have been designated for receipt and delivery at the following points:

|                                   |        |
|-----------------------------------|--------|
| Primary Receipt Point             | MDRQ   |
| WFSC/REX Opal Lincoln (PIN 43462) | 50,000 |

|                                     |        |
|-------------------------------------|--------|
| Primary Delivery Point              | MDDQ   |
| PEPL/REX Audrain County (PIN 43039) | 50,000 |

This negotiated rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**Second Revised Sheet No. 9M** Second Revised Sheet No. 9M  
Superseding: First Revised Sheet No. 9M

FOOTNOTES  
Applicable to Negotiated Rates

16/ [Yates k552048 Amended and Restated] The term of this Amended and Restated Negotiated Rate Agreement shall commence on August 1, 2008 and shall continue until the earlier of: i) the expiration date of the Firm Transportation Service Agreement (FTSA) on the date which is ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, as such term may be extended in accordance with its provisions or ii) the effective date of a superseding FTSA and new Negotiated Rate Letter Agreement, as discussed below.

If Certificate 2 and 3 Segment ("REX EAST") facilities are approved, a superseding FTSA ("REX EAST FTSA") and a new Negotiated Rate Letter Agreement ("REX System Negotiated Rate Letter Agreement") replacing this Negotiated Rate Agreement, will be entered into to incorporate the new delivery points, rates and other terms that pertain to REX EAST and contained in the Precedent Agreement. The REX EAST FTSA and the REX System Negotiated Rate Letter Agreement shall become effective on the in-service date of REX EAST.

Until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$24.1508 per Dth per month and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zones 1 and 2 of Transporter's pipeline system, including primary receipt and delivery points on Transporter's system which are located on the Overthrust Lease Facilities, as that term is defined in Transporter's Tariff.

The negotiated reservation rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, including Receipts and Deliveries via the Overthrust Lease Facilities as defined by the Tariff, provided that receipts entering Transporter's system via the Meeker or Cheyenne Hub Facilities shall incur the applicable Hub Facilities maximum rate for service and associated FL&U%, as set forth in this Tariff.

*Effective Date: 02/27/2009 Status: Effective*

*FERC Docket: RP09-308-000*

**Second Revised Sheet No. 9N** Second Revised Sheet No. 9N  
Superseding: First Revised Sheet No. 9N

FOOTNOTES

This sheet is reserved for future use

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**First Revised Sheet No. 90** First Revised Sheet No. 90  
Superseding: Original Sheet No. 90

FOOTNOTES  
Applicable to Negotiated Rates

18/ [Yates k553276] The term of this Negotiated Rate Agreement shall commence on August 1, 2008 and shall continue until the earlier of: i) the expiration date of the Firm Transportation Service Agreement (FTSA), on the date which is ten (10) years from the date REX West is placed in service to the PEPL point in Audrain County, Missouri, as such term may be extended in accordance with its provisions or ii) the effective date of a superseding FTSA and new Negotiated Rate Letter Agreement, as discussed below.

If Certificate 2 and 3 Segment ("REX EAST") facilities are approved, a superseding FTSA ("REX EAST FTSA") and a new Negotiated Rate Letter Agreement ("REX System Negotiated Rate Letter Agreement") replacing this Negotiated Rate Agreement, will be entered into to incorporate the new delivery points, rates and other terms that pertain to REX EAST and contained in the Precedent Agreement. The REX EAST FTSA and the REX System Negotiated Rate Letter Agreement shall become effective on the in-service date of REX EAST.

Until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$16.5467 per Dth per month and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zone 2 of Transporter's pipeline system.

The negotiated reservation rate shall also apply to all Receipt and Delivery Points within Zone 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities shall also be charged the Negotiated Cheyenne Hub Facilities Rate of \$0.9125 per Dth per month.

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**Second Revised Sheet No. 9E.01** Second Revised Sheet No. 9E.01  
Superseding: rst Revised Sheet No. 9E.01

FOOTNOTES  
Applicable to Negotiated Rates

8/ [ConocoPhillips k552037] Continued.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$23.5425 per Dth of MDQ per month and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zones 1 and 2 of Transporter's pipeline system, including primary receipt and delivery points on Transporter's system which are located on the Overthrust Lease Facilities, as that term is defined in Transporter's Tariff.

This negotiated rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

Shipper will also pay for use of the Meeker Hub Facilities for MDRQ of 250,000 Dth per Day at a monthly negotiated reservation rate of \$0.8365 (\$0.0275 stated on a 100% load factor basis) per Dth of MDQ per month, plus the applicable Meeker Hub Facilities Commodity Rates and FL&U%, pursuant to this Tariff.

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**Fourth Revised Sheet No. 9H.01** Fourth Revised Sheet No. 9H.01  
Superseding: rd Revised Sheet No. 9H.01

FOOTNOTES  
Applicable to Negotiated Rates

11/ [EnCana k552130] Continued

During the period from January 25, 2008 through the in-service date of Transporter's facilities at Echo Springs, Shipper's quantities have been designated for receipt and delivery at the following points:

|  |         |
|--|---------|
| Primary Receipt Point                          | MDRQ    |
| Cheyenne Hub Pool (PIN 43492)                  | 411,429 |
| Primary Delivery Points                        | MDDQ    |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 146,895 |
| NNG/REX Gage County (PIN 43037)                | 131,680 |
| ANR/REX Brown County (PIN 43038)               | 132,854 |

During the period from the in-service date of Transporter's facilities at Echo Springs through the in-service date of Transporter's PEPL/REX-Audrain Delivery Point, Shipper's quantities have been designated for receipt and delivery at the following points:

|  |         |
|--|---------|
| Primary Receipt Point                          | MDRQ    |
| Cheyenne Hub Pool (PIN 43492)                  | 411,429 |
| Primary Delivery Points                        | MDDQ    |
| NGPL/REX Jefferson County Delivery (PIN 42499) | 146,895 |
| NNG/REX Gage County (PIN 43037)                | 101,680 |
| ANR/REX Brown County (PIN 43038)               | 162,854 |

Shipper shall be charged the FL&U rate stated in Transporter's Tariff, except that Shipper's Fuel rate shall not exceed 3%.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$15.1049 per Dth of MDQ per month (as adjusted to reflect the actual Steel Price Adjustment) and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zone 2 of Transporter's pipeline system, as that term is defined in Transporter's Tariff.

Authorized contract overrun volumes will receive a discounted overrun rate of \$0.4966 per Dth adjusted to reflect the Steel Price Adjustment plus commodity charges, ACA and any other surcharges and FL&U in accordance with Transporter's Tariff.

This negotiated rate shall also apply to all Receipt and Delivery Points within Zone 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

This Shipper has been designated as a Foundation Shipper and afforded all Foundation Shipper rights as defined and set forth in the General Terms and Conditions of this Tariff.

Effective Date: 09/24/2008 Status: Effective  
FERC Docket: RP06-200-048

**Third Revised Sheet No. 9J.01** Third Revised Sheet No. 9J.01  
Superseding: Second Revised Sheet No. 9J.01

FOOTNOTES  
Applicable to Negotiated Rates

13/ [Sempra k552038] Continued.

After completion of construction of the REX West facilities until the in-service date of the REX East initial service, Shipper's Reservation Rate shall be \$23.5425 per Dth of MDQ per month (as adjusted to reflect the actual Steel Price Adjustment) and shall apply to service provided at the following primary receipt and delivery points:

All primary receipt and delivery points located in Zones 1 and 2 of Transporter's pipeline system, including primary receipt and delivery points on Transporter's system which are located on the Overthrust Lease Facilities, as that term is defined in Transporter's Tariff.

This negotiated rate shall also apply to all Receipt and Delivery Points within Zones 1 and 2 on a secondary basis, provided that receipts entering Transporter's system via the Cheyenne Hub Facilities and/or the Meeker Hub Facilities shall incur a volumetric charge per Dth equal to the applicable maximum rate for interruptible service and associated FL&U%, as set forth in this Tariff.

*Effective Date: 08/01/2008 Status: Effective*

*FERC Docket: RP06-200-046*

**First Revised Sheet No. 9M.01** First Revised Sheet No. 9M.01

Superseding: Original Sheet No. 9M.01

FOOTNOTES

Applicable to Negotiated Rates

Sheet No. 9M.01 has been reserved for future use.

Effective Date: 04/01/2010 Status: Effective  
FERC Docket: RP10-547-000

**Eighteenth Revised Sheet No. 10** Eighteenth Revised Sheet No. 10  
Superseding: Seventeenth Revised Sheet No. 10

NON-CONFORMING AGREEMENTS

The Commission has directed that the following Agreements be filed with the Commission because they contain provisions which do not conform to Transporter's pro forma service agreements.

1. EnCana Marketing (USA), Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission December 15, 2006 and as further amended August 20, 2008, July 31, 2009 and September 3, 2009 (Contract No. 551979).
2. Marathon Oil Company, Transportation Rate Schedule FTS Agreement, filed with the Commission on March 18, 2008 (Contract No. 552838).
3. Arrowhead Resources (U.S.A.) Ltd., Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 (Contract No. 553073).
4. Berry Petroleum Company, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 (Contract No. 553074).
5. Bill Barrett Corporation, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and further amended and filed on March 31, 2010 (Contract No. 553075).
6. BP Energy Company, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and amended and filed on November 13 (Contract No. 553076).
7. ConocoPhillips Company, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and amended and restated on July 22, 2009 (Contract No. 553077).
8. Shell Energy North America (US), L.P., Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 (Contract No. 552042).
9. EnCana Marketing (USA) Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and further amended and filed on March 2, 2010 (Contract No. 553078).
10. EOG Resources, Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and amended and restated on July 16, 2009 (Contract No. 553079).
11. Sempra Rockies Marketing, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and further amended and filed on November 12, 2009 (Contract No. 553081).
12. Ultra Resources, Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 and amended and restated and filed on March 31, 2010 (Contract No. 553082).
13. Yates Petroleum Corporation, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 (Contract No. 553083).
14. Wyoming Interstate Company, Ltd, Transportation Rate Schedule FTS Agreement, filed with the Commission on November 9, 2009 (Contract No. 553362).
15. Yates Petroleum Corporation, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 20, 2009 (Contract No. 553128).
16. Reserved for future use.
17. Reserved for future use.
18. Reserved for future use.

Continued on next page

*Effective Date: 02/12/2010 Status: Effective*

*FERC Docket: RP10-373-000*

**Third Revised Sheet No. 11** Third Revised Sheet No. 11

Superseding: Second Revised Sheet No. 11

NON-CONFORMING AGREEMENTS (Continued)

19. Concord Energy LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 12, 2010 (Contract No. 554774).

20. Northwind Resources, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 1, 2010 (Contract No. 554774).

*Effective Date: 02/13/2010 Status: Effective*

*FERC Docket: RP10-372-000*

**First Revised Sheet No. 11A** First Revised Sheet No. 11A

Superseding: Original Sheet No. 11A

NON-CONFORMING AGREEMENTS (Continued)

21. Tenaska Marketing Ventures, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 12, 2010 (Contract No. 554815).

*Effective Date: 02/12/2010 Status: Effective*  
*FERC Docket: RP10-373-000*

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

NON-CONFORMING AGREEMENTS (Continued)

This sheet reserved for future use

*Effective Date: 02/12/2010 Status: Effective*

*FERC Docket: RP10-373-000*

**First Revised Sheet No. 11C** First Revised Sheet No. 11C

Superseding: Original Sheet No. 11C

NON-CONFORMING AGREEMENTS (Continued)

This sheet reserved for future use.

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**Second Revised Sheet No. 11D** Second Revised Sheet No. 11D

Superseding: First Revised Sheet No. 11D

NON-CONFORMING AGREEMENTS (Continued)

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**First Revised Sheet No. 11E** First Revised Sheet No. 11E

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NON-CONFORMING AGREEMENTS (Continued)

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NON-CONFORMING AGREEMENTS (Continued)

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NON-CONFORMING AGREEMENTS (Continued)

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NON-CONFORMING AGREEMENTS (Continued)

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**First Revised Sheet No. 11I** First Revised Sheet No. 11I

Superseding: Original Sheet No. 11I

NON-CONFORMING AGREEMENTS (Continued)

Reserved for future use.

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**Sheet Nos. 12-19** Sheet Nos. 12-19

Sheet Nos. 12 - 19 are 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 Transporter a valid request, as defined in Section 3 hereof, for which Transporter has firm Capacity available on all affected portions of its System and the firm operational capability to satisfy; and (b) executes a Firm Transportation Service Agreement (FTS Agreement) with Transporter 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 AND CHARACTER OF SERVICE

2.1 The transportation service provided under this Rate Schedule FTS shall be provided on a firm basis and shall be performed in accordance with Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations. This Rate Schedule FTS shall apply to all Gas transported by Transporter for Shipper pursuant to an FTS Agreement.

2.2 Service hereunder shall consist of the acceptance by Transporter of Gas tendered by Shipper for transportation at the Primary Receipt Point(s) specified in or applicable to the FTS Agreement, the transportation of that Gas through Transporter's pipeline System, and the delivery of that Gas by Transporter to Shipper or for Shipper's account at the Primary Delivery Point(s) specified in or applicable to the FTS Agreement. Transporter shall not be required to accept any Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus Fuel reimbursement and other deductions, specified in the FTS Agreement. The firm service hereunder shall be provided on a uniform hourly basis as specified in Section 5 of the General Terms and Conditions of this Tariff.

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**Original Sheet No. 21** Original Sheet No. 21 : Effective

RATE SCHEDULE FTS  
FIRM TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (Contd.)
  - 2.3 Changes to Primary Receipt or Delivery Points contained in the FTS Agreement shall be subject to Section 3.2 of the General Terms and Conditions of this tariff. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party, processing, or transportation to or from processing facilities, unless otherwise provided for under this Tariff or specified in the FTS Agreement.
  - 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 Transporter certification including sufficient information in order for Transporter 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 Secondary Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.
  - 2.6 Shippers holding Capacity under this Rate Schedule FTS may segment or release such Capacity in accordance with Sections 7 and 15 and any other applicable provisions of the General Terms and Conditions of this Tariff.

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 and contains adequate information for 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 Transporter shall not be required to grant any such request: (1) for which adequate Capacity is not available on any portion of Transporter's System necessary to provide such service; (2) as to which Transporter 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 Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (4) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 3.2F, 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 Transporter may agree to provide service hereunder at a discounted rate or Negotiated Rate consistent with this Rate Schedule FTS.

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FERC Docket: CP06-354-002

**Original Sheet No. 23** Original Sheet No. 23 : Effective

RATE SCHEDULE FTS

3. VALID REQUESTS (Contd.)

3.1 (Contd.)

- B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of Capacity or if the request is incomplete or does not comply with this Rate Schedule FTS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
  
- C. Transporter shall tender an FTS Agreement to Shipper for execution within twenty-four (24) hours of when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an FTS Agreement hereunder within ten (10) Days after Transporter has tendered the FTS Agreement for execution.

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**Original Sheet No. 24** Original Sheet No. 24 : Effective

RATE SCHEDULE FTS

3. VALID REQUESTS (Contd.)

3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number (303) 763-3515

The information required for a valid request shall be as follows:

A. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, as well as the Maximum Daily Receipt Quantity (MDRQ) for each Primary Receipt Point and the Maximum Daily Delivery Quantity (MDDQ) for each Primary Delivery Point, exclusive of applicable Fuel and Lost and Unaccounted-for Gas; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

B. RECEIPT POINT(S)

The request shall specify the Primary Receipt Point(s) at which Shipper desires Transporter to receive Gas. Each Receipt Point will have an MDRQ. The sum of all such MDRQs shall equal the aggregate MDQ stated in the FTS Agreement.

C. DELIVERY POINT(S)

The request shall specify the Primary Delivery Points(s) at which Shipper desires Transporter to deliver Gas. Each Delivery Point will have an MDDQ. The sum of all such MDDQs shall equal the aggregate MDQ stated in the FTS Agreement.

RATE SCHEDULE FTS

3. VALID REQUESTS (Contd.)  
3.2 (Contd.)

D. LIMITATION OF POINTS

- (1) A Shipper may request any number of Primary Receipt and Primary Delivery Points so long as the summation of quantities at all Primary Receipt Points and at all Primary Delivery Points equals the aggregate MDQ stated in the FTS agreement.
- (2) The availability to Shipper of Secondary Receipt and Delivery Points, and the related priorities and volumes, are governed by 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 Transporter in accordance with the General Terms and Conditions of this Tariff.

G. COMPLIANCE WITH TRANSPORTER'S 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 of this Tariff as revised from time-to-time.

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 Transporter;

RATE SCHEDULE FTS

- 3. VALID REQUESTS (Contd.)
  - 3.2 (Contd.)
    - H. COMMISSION-REQUIRED FILING INFORMATION (Contd.)
      - (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.
    - I. SHIPPER CONTACT INFORMATION
      - The request shall include Shipper's name, billing address, representative, and general correspondence address.
- 4. TERM
  - 4.1 The term of service hereunder shall be set forth in the FTS Agreement between Shipper and Transporter.
  - 4.2 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 granted through an FTS Agreement. Upon termination of any FTS Agreement, and subject to any such rollover or right of first refusal, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

RATE SCHEDULE FTS

5. RATE

The applicable rates, including any surcharges, for Firm Transportation Service are set forth in this FERC Gas Tariff, as revised from time-to-time. Unless otherwise agreed to in writing between Transporter and Shipper pursuant to Section 33 of the General Terms and Conditions of this Tariff, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate to which the Shipper is willing to agree.

- 5.1 Monthly Charge. Each Month, under this Rate Schedule FTS, Shipper shall be assessed a two-part charge consisting of: (a) a Reservation Charge, based on the product of the Shipper's MDQ, or applicable portion thereof, multiplied by the applicable Reservation Rate; and (b) a Commodity Charge, based on the product of each Dth of Gas delivered to Shipper or for Shipper's account, multiplied by the applicable Commodity Rate.
- 5.2 Shipper shall reimburse Transporter for FL&U required in transporting Gas hereunder, as provided by Section 38 of the General Terms and Conditions of this Tariff, and at the maximum rate stated on the currently effective applicable rate sheet, unless otherwise negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS

5. RATE (Contd.)

5.3 A. Shipper shall reimburse Transporter within five (5) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are 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 (such as general rate case filing fees).

B. Incremental Facility Charge. When the construction of new facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the corporate income tax effects thereof, according to the following formula:

Tax Reimbursement = [Tax Rate x (CIAC - Present Value of Tax Depreciation)] x [1 + {Tax Rate/(1 - Tax Rate)}]

RATE SCHEDULE FTS

5. RATE (Contd.)

- 5.4 The ACA will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule FTS.
- 5.5
  - A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule FTS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
  - 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 Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the FTS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the Commission or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the FTS Agreement or a separate discount Agreement, be decreased to such reduced rate.

RATE SCHEDULE FTS

5. RATE (Contd.)

5.6 Transporter 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 FTS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, 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 unless otherwise agreed to in writing between Transporter and Shipper pursuant to Section 33 of the General Terms and Conditions of this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the FTS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the FTS 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. Transporter 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.

5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule FTS shall be retained by Transporter, unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

6.1 Shipper shall provide Transporter 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 Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

RATE SCHEDULE FTS

6. NOMINATIONS, SCHEDULING AND IMBALANCES (Contd.)

6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

7.1 The Primary Receipt Points for Gas tendered to Transporter for transportation hereunder and the Primary Delivery Points for Gas delivered by Transporter to Shipper (or to a third party on behalf of Shipper) hereunder shall be specified in the FTS Agreement. For each individual Primary Receipt and Delivery Point, and for the aggregate of all such Points, Transporter's maximum obligation to accept and deliver Gas on a firm basis shall be specified in Dth in the FTS Agreement. Shipper may utilize any and all Points as Secondary Receipt or Delivery Points subject to applicable charges and subject to the General Terms and Conditions of this Tariff.

7.2 Acceptable conditions of operation at Receipt and Delivery Points are set forth in the General Terms and Conditions of this Tariff.

7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter 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 Transporter.

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

RATE SCHEDULE FTS

8. OVERRUN SERVICE

8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the FTS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Shipper may utilize Primary and Secondary Receipt and Delivery Points in accordance with the provisions of this tariff; however, such use may result in the Shipper exceeding its Capacity rights (as specified by the MDRQ, MDDQ or MDQ in the FTS Agreement), either by zone or in total, but not both. Utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff, unless otherwise agreed in writing.

8.2 For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an FTS Agreement, which exceeds the MDQ on any Day under such FTS Agreement, multiplied by two (2) times the daily index price for the Day on which the Unauthorized Overrun occurred, as published in "Platt's Gas Daily," under the "Midpoint" column, for the locations listed below:

Location of Receipt or Delivery Point, as applicable:

| Pipeline Segment | East of:       | West or South of & Including: | Index                    |
|------------------|----------------|-------------------------------|--------------------------|
| 600-650          |                |                               |                          |
| 100-120          |                | Wamsutter                     | CIG, Rocky Mountains     |
| 130-160          | Wamsutter      | Cheyenne                      | Cheyenne Hub             |
| 200-290          | Cheyenne       | PEPL-Audrain County,MO        | Northern demarc          |
| 300-320          | PEPL           | IL / IN Border                | Chicago city-gates       |
| 330-390          | IL / IN Border | Clarington                    | Columbia Gas, Appalachia |

RATE SCHEDULE FTS

8. OVERRUN SERVICE (Contd.)

- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when a Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

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. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

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**Original Sheet No. 34** Original Sheet No. 34 : Effective

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule ITS is available to any entity (hereinafter called Shipper) which: (a) submits to Transporter a valid request as defined in Section 3 hereof; and (b) executes an Interruptible Transportation Service Agreement ("ITS Agreement") with Transporter 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 Transporter for Shipper on a uniform hourly basis as specified in Section 5 of the General Terms and Conditions of this Tariff and pursuant to an ITS Agreement. As more fully set out in the General Terms and Conditions of this Tariff, Transporter is not providing a supply service under this Rate Schedule ITS.

2.2 Service hereunder shall consist of the acceptance by Transporter of Gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that Gas through Transporter's System, and the delivery of that Gas by Transporter to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. Transporter shall not be required: (a) to accept on any Day Gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in Shipper's ITS Agreement with Transporter, or (b) to deliver on any Day Gas requested, in excess of the Maximum Daily Quantity (MDQ) specified in the ITS Agreement; 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.

RATE SCHEDULE ITS

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE (Contd.)

2.3 The service provided under this Rate Schedule ITS shall be performed in accordance with 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 Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter 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 ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

2.4 Service hereunder is provided on an interruptible basis. Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.

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 for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:

RATE SCHEDULE ITS

3. VALID REQUESTS (Contd.)

3.1 (Contd.)

- A. A request shall not be valid and Transporter 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 Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (3) if Transporter determines, based on the credit analysis referenced in Section 3.2D, 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 Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule ITS.
- B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule ITS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
- C. Transporter shall tender an ITS Agreement to Shipper for execution within twenty-four (24) hours of when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) Days after the ITS Agreement has been tendered by Transporter for execution.

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**Original Sheet No. 37** Original Sheet No. 37 : Effective

RATE SCHEDULE ITS

3. VALID REQUESTS (Contd.)

3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number (303) 763-3515

The information required for a valid request shall be as follows:

A. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, exclusive of applicable Fuel and Unaccounted-for Gas; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

B. AVAILABILITY OF POINTS

- (1) A Shipper may utilize all available Receipt and Delivery Points on Transporter's System under any ITS Agreement, subject to the General Terms and Conditions of this Tariff.
- (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 a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

3. VALID REQUESTS (Contd.)

3.2 (Cont.)

E. COMPLIANCE WITH TRANSPORTER'S 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 of this Tariff as revised from time-to-time.

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 Transporter;
- (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;

G. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

4. TERM

4.1 The term of service hereunder shall be set forth in the ITS Agreement between Shipper and Transporter. Transporter may terminate the ITS Agreement prior to the contract expiration date 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.

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**Original Sheet No. 39** Original Sheet No. 39 : Effective

RATE SCHEDULE ITS

4. TERM (Contd.)

4.2 The General Terms and Conditions of this Tariff shall govern the applicability of rollovers granted through an ITS Agreement. Upon termination of any ITS Agreement, and subject to such rollovers, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

5.1 A. Shipper shall pay Transporter each Month under this Rate Schedule ITS a Commodity Charge for each Dth of Gas delivered, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charge shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas actually delivered by Transporter during the billing Month.

B. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.

5.2 Shipper shall reimburse Transporter for any Fuel and Lost and Unaccounted-for Gas in transporting Gas hereunder, as provided by Section 38 of the General Terms and Conditions of this Tariff, and at the maximum rate stated on currently effective Sheet No. 5, unless otherwise negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff.

5.3 A. Shipper shall reimburse Transporter, within five (5) Days after receiving an invoice from Transporter, for all fees incurred by Transporter which are 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 (such as general rate case filing fees).

RATE SCHEDULE ITS

5. RATE (Contd.)  
5.3 (Contd.)

- B. Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the corporate income tax effects thereof, according to the following formula:

$$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$

- 5.4 The ACA charge will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule ITS.
- 5.5 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule ITS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.

Effective Date: 09/01/2007 Status: Effective

FERC Docket: CP06-354-002

**Original Sheet No. 41** Original Sheet No. 41 : Effective

RATE SCHEDULE ITS

5. RATE (Contd.)  
5.5 (Contd.)

- 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 Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the ITS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the ITS Agreement or a separate discount Agreement, be decreased to such reduced rate.

Effective Date: 09/12/2009 Status: Effective  
FERC Docket: RP09-890-000

**First Revised Sheet No. 42** First Revised Sheet No. 42  
Superseding: Original Sheet No. 42

RATE SCHEDULE ITS

5. RATE (Contd.)

- 5.6 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' verbal or written notice, or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time and subject to any provisions on discounting in the ITS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, 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 charged may not be less than the applicable minimum rate for service under Rate Schedule ITS set forth in this Tariff as applicable. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the ITS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the ITS 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. Transporter 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.
- 5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule ITS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

- 6.1 Shipper shall provide Transporter 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 Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

Effective Date: 09/01/2007 Status: Effective  
FERC Docket: CP06-354-002

**Original Sheet No. 43** Original Sheet No. 43 : Effective

RATE SCHEDULE ITS

6. NOMINATIONS, SCHEDULING AND IMBALANCES (Contd.)

6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a Monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

7.1 An ITS Agreement shall include all available Receipt and Delivery Points on Transporter's System, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an interruptible basis shall be specified in Dth in the ITS Agreement. The volumes available at each Receipt and Delivery Point, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.

7.2 Acceptable conditions of operation at Receipt and Delivery Points are set forth in the General Terms and Conditions of this Tariff.

7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter 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 Transporter.

Effective Date: 04/01/2009 Status: Effective  
 FERC Docket: RP06-200-051

**First Revised Sheet No. 44** First Revised Sheet No. 44  
 Superseding: Original Sheet No. 44

RATE SCHEDULE ITS

8. OVERRUN SERVICE

8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the ITS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Shipper may utilize Primary and Secondary Receipt and Delivery Points in accordance with the provisions of this tariff; however, such use may result in the Shipper exceeding its Capacity rights (as specified by MDQ), either by zone or in total, but not both. Utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff unless otherwise agreed.

8.2 For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an ITS Agreement, which exceeds Shipper's Nomination on any Day under such ITS Agreement, multiplied by two (2) times the daily index price for the Day on which the Unauthorized Overrun occurred, as published in "Platt's Gas Daily," under the "Midpoint" column, for the locations listed below:

Location of Receipt or Delivery Point, as applicable:

| Pipeline Segment   | East of:       | West or South of & Including: | Index                    |
|--------------------|----------------|-------------------------------|--------------------------|
| 600-650<br>100-120 |                | Wamsutter                     | CIG, Rocky Mountains     |
| 130-160            | Wamsutter      | Cheyenne                      | Cheyenne Hub             |
| 200-290            | Cheyenne       | PEPL-Audrain County,MO        | Northern demarc          |
| 300-320            | PEPL           | IL / IN Border                | Chicago city-gates       |
| 330-390            | IL / IN Border | Clarington                    | Columbia Gas, Appalachia |

RATE SCHEDULE ITS

8. OVERRUN SERVICE (Contd.)

- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when a Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

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. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

RATE SCHEDULE PALS  
PARK AND LOAN SERVICE  
-----

1. AVAILABILITY

- 1.1 This Park and Loan Service (PALS) Rate Schedule is an interruptible service available to any Shipper which:
  - A. submits to Transporter a valid request for service under this Rate Schedule PALS as defined in Section 4 hereof and executes an Agreement for such service (PALS Agreement); and
  - B. enters into one or more valid PALS Request Orders (PALS RO), as defined in Section 4 hereof which, when executed by Transporter and Shipper, shall evidence their agreement as to the terms of the particular transaction(s) to park and loan Gas pursuant to the PALS Agreement.
- 1.2 Shipper shall arrange separately with Transporter and others as necessary for any transportation attendant to the PALS service provided hereunder, i.e., in delivering Gas to or taking Gas away from the designated Point(s), and Shipper shall pay separately for such transportation service.
- 1.3 Shipper shall provide Transporter with reasonable assurances that Shipper can satisfactorily perform under an applicable PALS RO.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule PALS shall apply to all PALS services which are rendered by Transporter pursuant to an executed PALS Agreement and related PALS RO. Under Rate Schedule PALS, a Shipper may nominate a quantity of Gas at mutually agreeable Point(s) on Transporter's System, to be parked or loaned by Transporter for a specified period defined in the PALS RO. It is understood that Transporter is providing this PALS service hereunder through the use of its line pack and/or operational Gas; Transporter is not providing a Gas supply service under this Rate Schedule PALS, nor is Transporter providing an attendant firm or interruptible transportation service to or from the PALS point(s). Contracting for and nominating service to and from the designated Point(s) shall be the Shipper's sole responsibility.

RATE SCHEDULE PALS

2. APPLICABILITY AND CHARACTER OF SERVICE (Contd.)
  - 2.2 Under this Rate Schedule PALS, Transporter shall only park Gas or loan Gas to the extent Transporter determines that such actions are not detrimental to its ability to satisfy any of its existing obligations with higher priority service or to meet System operational needs. Transporter may, based on its reasonable determination of its operational capability and in a non-discriminatory manner, interrupt or decline to schedule any or all of the services hereunder and, if such actions are required to avoid interference with firm service or to protect the integrity of the System, will do so prior to invoking the procedures of Section 36, Operational Parameters, of the General Terms and Conditions of this Tariff and subject to Section 8 of this Rate Schedule PALS.
  - 2.3 All mutually agreeable Points of receipt and Delivery on Transporter's System are available on a non-discriminatory basis for service under this Rate Schedule PALS. Unless an alternative Point is agreed upon by Transporter and Shipper, the same Point must be utilized to initiate and to complete a specific park or loan transaction. If an alternative Point is agreed upon, Shipper must pay for additional transportation service between the agreed-upon Receipt and Delivery Points under a separate Transportation Service Agreement. The specific Point(s) for a park or loan shall be set forth in the applicable PALS RO.
  - 2.4 Subject to the provisions of Section 2.2 above, Park and Loan Services available under this Rate Schedule PALS include:
    - A. Park Service, which shall consist of Transporter's receipt of a quantity of Gas at the designated Receipt Point(s) on the designated date(s), requested by Shipper under a PALS RO and approved by Transporter; Transporter's holding of such parked quantity of Gas for Shipper's account and Transporter's redelivery of the parked quantity of Gas to Shipper at the designated Delivery Point(s) and on the designated date(s) set forth in such PALS RO;
    - B. Loan Service, which shall consist of Transporter lending a specified quantity of Gas, requested by Shipper and approved by Transporter, from designated Delivery Point(s) set forth in Shipper's PALS RO and the Shipper's redelivery of and Transporter's acceptance of such volumes for Shipper's account at the designated Receipt Point(s) on the designated date(s) set forth in such PALS RO.

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FERC Docket: CP06-354-002

**Original Sheet No. 48** Original Sheet No. 48 : Effective

RATE SCHEDULE PALS

2. APPLICABILITY AND CHARACTER OF SERVICE (Contd.)

2.5 Transporter will post on its Interactive Website the availability of PALS from time-to-time.

2.6 The Park and Loan Service provided for under this Rate Schedule PALS shall be performed under Part 284 of FERC's Regulations. Shipper shall only tender Gas under this Rate Schedule PALS to the extent service hereunder would qualify under the applicable statutes, regulations, FERC orders and the blanket certificate authorizing service by Transporter under this Rate Schedule PALS. For service under Subpart B of Part 284, Shipper shall provide to Transporter with its initial request for service appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by FERC's Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit any necessary certification. Shipper shall provide the actual end-user purchaser name(s) to Transporter if Transporter must provide them to the FERC.

3. NOMINATIONS AND SCHEDULING

3.1 It shall be Shipper's sole responsibility to provide Transporter with daily Nominations of the quantity of Gas to be received or delivered at the Receipt or Delivery Point(s) under the applicable PALS RO. Nominations for any Day or for any Nomination cycle must be consistent with the PALS RO. It shall also be Shipper's responsibility to cause Gas to be delivered to Transporter and to cause Gas to be received from Transporter in accordance with the PALS RO. Nominations shall be subject to confirmation and scheduling in accordance with the General Terms and Conditions of this Tariff. If a Nomination for payback on a loan, or withdrawal on a park is consistent with the PALS RO but cannot be confirmed by Transporter, the Shipper must continue to nominate on subsequent Days until Transporter can confirm the Nomination, unless the parties agree on a revised PALS RO. Service under Rate Schedule PALS is provided on an interruptible basis.

3.2 Priorities of service for the purposes of scheduling and Curtailment shall be governed by Section 3 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

3. NOMINATIONS AND SCHEDULING (Contd.)

3.3 In the event it is necessary to decline to schedule or to interrupt, curtail or suspend service under PALS because of operational conditions or to satisfy obligations with a higher priority, Transporter shall provide actual notice to Shipper. In that event, Shipper must comply with the directive(s) contained in Transporter's notification within the time specified.

3.4 If Shipper fails to comply with the requirements set out in a notification under Section 3.3 above, then Section 8 of this Rate Schedule PALS shall apply.

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S)

4.1 A request for service under this Rate Schedule PALS shall be valid as of the date received if it complies with this Section 4 and contains adequate information on all of the items specified in Sections 4.3A and 4.3B, subject to any necessary verification of such information and to the following:

A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) which could in Transporter's judgment interfere with efficient operation of its System or with service to any firm Shipper; (2) which would require the construction, modification, expansion, or acquisition of any facilities to enable it to perform such services; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire any facilities; (3) unless and until Shipper has provided Transporter with the information required in Section 4.2 hereof and the assurances required under Section 1.3 hereof; (4) if Transporter determines, based on the credit analysis referenced in Section 4.3A, 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; (5) if the service requested would not comply with this Rate Schedule PALS; or (6) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule PALS. Nothing herein is intended to govern the scheduling and Curtailment of service once a request for service has been granted pursuant to Section 4 hereof and while Agreements under this Rate Schedule are in effect. Such matters are governed by Section 3 of this Rate Schedule and the applicable General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S) (Contd.)

4.1 (Contd.)

- B. Transporter 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 PALS.
- (1) Any request shall be null and void unless it is complete and complies with this Rate Schedule PALS.
  - (2) If Transporter cannot satisfy a request due to insufficient System Capacity or capability, such request shall be deemed null and void upon notification by Transporter that it cannot perform the service requested. Transporter may at any time tender a PALS Agreement to Shipper, consistent with Shipper's request, which may be conditional on the future availability of System Capacity and capability.
  - (3) Transporter shall tender a PALS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a PALS Agreement hereunder within ten (10) Days after Transporter has tendered a PALS Agreement for execution. An executed PALS RO must be submitted to Transporter prior to commencement of service.

RATE SCHEDULE PALS

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S) (Contd.)

4.2 Requests for service hereunder shall be deemed valid only after Shipper has entered into all necessary arrangements to assure that upstream and downstream transportation, if any, will be in place prior to the commencement of service on Transporter's pipeline, and the following information is provided to Transporter by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number (303) 763-3515

A. For a PALS Agreement to be valid, the following information must be provided:

(1) GAS QUANTITIES

The request shall specify in Dth the Maximum Aggregate Quantity (MAQ) and the Maximum Daily Quantity (MDQ) to be parked or loaned under any and all outstanding PALS RO Agreements.

(2) TERM OF SERVICE

The request shall specify a minimum term of 24 hours, the date service is requested to commence and to terminate (Primary term), whether the request is subject to an evergreen provision (permitting an extension) and/or a buyout provision (permitting early termination);

(3) CREDIT

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

RATE SCHEDULE PALS

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S) (Contd.)

4.2 (Contd.)

A. (Contd.)

(4) COMPLIANCE WITH PALS 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 of this Tariff for any Park and Loan Service provided under the PALS Agreement and any related PALS RO.

(5) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, and shall be updated when any PALS RO is executed:

- (a) Affiliation of the Shipper with Transporter;
- (b) The identity of the Shipper, including whether it is a local distribution company, an end-user, a producer, a marketer, or other customer type.

B. To implement a specific park and/or loan transaction, Transporter and the Shipper with a PALS Agreement in effect shall enter into a PALS RO. For a PALS RO to be valid, the following information must be provided:

(1) SERVICE TYPE/PALS AGREEMENT

The PALS RO must specify that it relates to service under Rate Schedule PALS and must specify the PALS Agreement to which the PALS RO relates;

RATE SCHEDULE PALS

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S) (Contd.)  
4.2 (Contd.)  
B. (Contd.)

(2) GAS QUANTITIES

The PALS RO shall specify in Dth the Maximum Aggregate Quantity (MAQ RO) and the Maximum Daily Quantity (MDQ RO) 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 ROs cannot exceed the MAQ and MDQ under the applicable PALS Agreement. The PALS RO shall specify the minimum daily and aggregate volumes and shall set out a park and/or loan schedule containing the quantity and timing information specified in Section 7 of this Rate Schedule PALS.

(3) POINTS

The PALS RO shall specify the Point(s) at which Gas is to be parked or loaned. Any mutually agreeable Point(s) on Transporter's System may be utilized for service under this Rate Schedule PALS. Unless otherwise mutually agreed, the Point for completion of the park and loan must be the same as the Point at which the park or loan was initiated.

(4) TERM OF SERVICE

- (a) The request shall specify:
- (1) The date service is requested to commence;
  - (2) The date service is requested to terminate.
- (b) 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;

RATE SCHEDULE PALS

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S) (Contd.)  
4.2 (Contd.)  
B. (Contd.)

(5) SHIPPER CONTACT PERSONNEL

The PALS RO shall specify the persons to be contacted by Transporter in connection with the PALS RO;

(6) RATE

The PALS RO shall specify the rates under Section 6.1 of this Rate Schedule PALS 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;

(7) SHIPPER ASSURANCES

Shipper shall provide Transporter the assurances required by Section 1.3 of this Rate Schedule PALS in connection with each PALS RO.

5. TERM

The term of service hereunder shall be set forth in the PALS Agreement between Shipper and Transporter, and shall not be less than 24 hours. The PALS RO shall have a separately stated term or terms applicable to a particular transaction which term may not extend beyond the term of the related PALS Agreement. Upon termination of any PALS Agreement and of any PALS RO, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

RATE SCHEDULE PALS

6. RATE

- 6.1 A. For the Park and Loan Service rendered to Shipper under this Rate Schedule PALS, Shipper shall pay Transporter each Month the sum of the following charges:
- (i) the Initial Charge, which shall be the product of the Initial Rate multiplied by each unit of Gas tendered for park or taken for loan during that Month;
  - (ii) the Park/Loan Balance Charge, which shall be the product of the Park/Loan Balance Rate multiplied by each unit of Gas which is parked or loaned under this Rate Schedule PALS for that Month (such charge shall be calculated on the basis of the daily ending Balance for each PALS RO for each Day of the Month); and
  - (iii) the Completion Charge, which shall be the product of the Completion Rate multiplied by each unit of Gas returned to Transporter on completion (payback) of a loan or received by Shipper on completion (reversal) of a park that Month.
- B. The maximum and minimum rate(s) applicable to this Rate Schedule PALS are set forth in the Currently Effective Rates section of this Tariff. On any Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate assessed for any park or loan may not exceed the maximum PALS Initial Rate on a per unit basis.
- C. By mutual agreement between Transporter and Shipper, which is consistent with the pro forma Agreement set out in this Tariff, discounts or Negotiated Rates may be limited to specific volumes and/or specific periods.
- D. If a Shipper has submitted a Nomination for a payback on a loan or a withdrawal on a park, and that Nomination is consistent with the PALS RO but is not confirmed by Transporter, the Park/Loan Balance Rate shall only be assessed as if the Nomination had been confirmed.

RATE SCHEDULE PALS

6. RATE (Contd.)  
6.1 (Contd.)

- E. Shipper shall pay any other applicable charges, penalties and fees set out in this Rate Schedule PALS or the General Terms and Conditions of this Tariff. Deviations from the approved PALS RO nominated volumes when compared to the allocated volumes will be assessed cashout charges under Section 11 of the General Terms and Conditions of this Tariff.
- F. Charges payable by any Shipper shall be based on the maximum rates set forth in this Tariff applicable to Rate Schedule PALS, which rates are hereby incorporated herein, unless a lower rate for the charge under Subsection 6.1A of this Rate Schedule is specified in the PALS RO. However, where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.
- G. The charges referenced herein cover only Park and Loan Services. Shipper must contract separately for any transportation service required for Shipper to move Gas to or away from the Point(s) specified in the PALS RO.

6.2 Overrun Service.

- A. Overrun Service Charges apply if a Shipper nominates and Transporter confirms volumes in excess of the approved MAQ and/or MDQ in the PALS Agreement, or if Shipper fails to comply with any quantity or timing parameter in a PALS RO (unless the failure results from Transporter not confirming a Nomination properly submitted). Overrun Service Charges will be assessed at the maximum PALS rate, unless otherwise agreed to in writing by Transporter.

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**First Revised Sheet No. 57** First Revised Sheet No. 57  
Superseding: Original Sheet No. 57

RATE SCHEDULE PALS

6. RATE (Contd.)

6.2 Overrun Service (Contd.)

- B. For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under a PALS Agreement, which exceeds Shipper's Nomination on any Day under such PALS Agreement, multiplied by two (2) times the daily index price for the Day on which the Unauthorized Overrun occurred, as published in "Platt's Gas Daily," under the "Midpoint" column, for the locations listed below:

Location of PALS RO Point, as applicable:

| Pipeline Segment   | East of:       | West or South of & Including: | Index                    |
|--------------------|----------------|-------------------------------|--------------------------|
| 600-650<br>100-120 |                | Wamsutter                     | CIG, Rocky Mountains     |
| 130-160            | Wamsutter      | Cheyenne                      | Cheyenne Hub             |
| 200-290            | Cheyenne       | PEPL-Audrain County,MO        | Northern demarc          |
| 300-320            | PEPL           | IL / IN Border                | Chicago city-gates       |
| 330-390            | IL / IN Border | Clarington                    | Columbia Gas, Appalachia |

- C. Such Unauthorized Overrun Service Charge shall only be assessed during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. The Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.

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RATE SCHEDULE PALS

6. Rate (Contd.)

6.2 Overrun Service (Contd.)

- D. In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
  
- E. Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

RATE SCHEDULE PALS

6. RATE (Contd.)

- 6.3 A. Shipper shall reimburse Transporter within five (5) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are 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. If Transporter constructs, acquires or modifies any facilities to perform service hereunder, then, as specified in an Agreement related thereto between the parties Shipper shall reimburse Transporter for the cost of such facilities or facility modifications as described in Section 5.3B of the ITS Rate Schedule of this Tariff.
- 6.4 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule PALS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- 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 Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the PALS Agreement or PALS RO, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for service hereunder, the rate shall be decreased to such reduced rate.

RATE SCHEDULE PALS

6. RATE (Contd.)

- 6.5 Transporter 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 PALS Agreement or PALS RO, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, 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 charged may not be less than the applicable minimum rate for service under Rate Schedule PALS set forth in this Tariff. Unless otherwise agreed in the PALS Agreement or PALS RO, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the PALS Agreement and/or PALS RO) 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. Transporter shall file with the FERC any and all reports as required by FERC's Regulations with respect to the institution or discontinuance of any discount.
- 6.6 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule PALS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

RATE SCHEDULE PALS

7. QUANTITY

Each PALS RO shall specify in Dth the MAQ RO, and a daily schedule of the quantities (including the MDQ RO) to be parked and/or loaned under the specific transaction. The daily schedule of returned volumes by the Shipper or Transporter shall also be specified in the PALS RO. 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 portion thereof) and/or in the timing of the completion of the park or loan (or portion thereof) by the return of Gas to the Shipper or to Transporter, and shall specify the limits of the flexibility allowed. Subject to the flexibility specified in the PALS RO, the MDQ RO shall be the maximum quantity Transporter is obligated, on an interruptible basis, to receive from or deliver to Shipper hereunder on the specified Day. The MAQ RO shall be the maximum aggregate quantity Transporter is obligated to park or loan for the account of Shipper hereunder on an interruptible basis for the specific transaction covered by the PALS 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 RO schedule. 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 timing parameter in the applicable PALS RO (unless such failure is due to Transporter not confirming a Nomination properly submitted), it shall be subject to Overrun Service Charges consistent with Section 6.2 of this Rate Schedule.

8. MANDATORY BALANCING

8.1 Mandatory Balancing shall apply in the following instances: (a) at the end of the term specified in any applicable PALS Agreement or PALS RO; (b) where the Shipper fails to comply either with the requirements of Transporter's notice referenced in Sections 3 or 8.3B hereof; or (c) where Shipper fails to comply with the schedule of activities set forth in the applicable PALS RO and the deviation has not been agreed to and confirmed by Transporter.

RATE SCHEDULE PALS

8. MANDATORY BALANCING (Contd.)

- 8.2 Transporter shall require Mandatory Balancing effective the next Day prior to issuing Critical Time Operational Flow Orders pursuant to the notice provisions of Section 36.6 of the General Terms and Conditions of this Tariff, if Transporter reasonably determines that doing so would facilitate System operations and minimize the frequency and severity of Operational Flow Orders in the affected region(s).
- 8.3 A. In the event that Transporter notifies a PALS Shipper under this Section 8 or Section 3 of this PALS Rate Schedule, such notice shall specify the parked Balance to be removed or the loaned Balance to be returned, up to the full MAQ, and the timeframe within which the Balance must be effectuated, but the specified timeframe shall not be less than three (3) Days (in one-third daily increments) from the date of notification. Transporter may allow additional time for contract Balancing when operational conditions permit. Notification shall first be provided by telephone and then by facsimile, by e-mail or in writing. General notices will be posted on Transporter's Interactive Website. In instances when notification is required during times other than normal business hours, Transporter will provide such notification by telephone. To the extent Shipper fails to comply with such notice, the PALS RO shall terminate and the provisions of Section 8.4 hereof shall apply.
- B. In the event that a Shipper fails to comply with the schedule of activities set forth in the applicable PALS RO, Transporter shall notify Shipper, as provided above in Section 8.3A, and the PALS RO shall be subject to termination in accordance with the terms of such notice. The provisions of Sections 8.4A and 8.4B hereof shall then apply.

RATE SCHEDULE PALS

8. MANDATORY BALANCING (Contd.)

8.4 A. In the event that Shipper still has Gas parked at the end of the term of the PALS RO, Transporter will notify Shipper according to Section 8.3 above. If Shipper fails to comply with the notice pursuant to Sections 3 and 8.3 above, the remaining Balance shall be forfeited to Transporter, free and clear of any adverse claims. The realized value, net of applicable costs, of such forfeited Gas is subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. For each Day during the period between the end of the contract term and either the removal by Shipper of the remaining balance or the forfeiture of Gas to Transporter, Shipper shall pay Transporter the maximum applicable PALS balance rate pursuant to this Tariff, unless such other applicable balance rate is agreed to in the PALS agreement.

B. Conversely, if the Shipper has not redelivered Gas which was loaned by Transporter by the end of the term of the PALS RO or within the timeframe specified in the notice in Sections 3 and 8.3 above, the Shipper must purchase the unreturned Balance at 150% of the highest Daily Price Survey, Midpoint Price for the indices specified below, as published in "Platt's Gas Daily," under the "Midpoint" column, during the period of time the Gas is scheduled to be returned pursuant to the applicable PALS RO.

Location of PALS RO Point, as applicable:

| Pipeline Segment | East of:       | West or South of & Including: | Index                    |
|------------------|----------------|-------------------------------|--------------------------|
| 600-650          |                |                               |                          |
| 100-120          |                | Wamsutter                     | CIG, Rocky Mountains     |
| 130-160          | Wamsutter      | Cheyenne                      | Cheyenne Hub             |
| 200-290          | Cheyenne       | PEPL-Audrain County,MO        | Northern demarc          |
| 300-320          | PEPL           | IL / IN Border                | Chicago city-gates       |
| 330-390          | IL / IN Border | Clarington                    | Columbia Gas, Appalachia |

The amounts collected in excess of 100% of the highest daily price, as applicable, net of costs, are subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. If Operational Flow Orders are in effect on the date Shipper is required to comply with the notice, Shipper shall be subject to the highest penalty charges set forth in Section 37 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE PALS

8. MANDATORY BALANCING (Contd.)  
8.4 (Contd.)

C. The tariff provisions of this Section 8.4 will be implemented by Transporter on a non-discriminatory basis. In each instance when an amount is collected pursuant to Section 8.4.B due to failure of Shipper to redeliver, Transporter shall have the right to review the circumstances surrounding such failure to redeliver and, in its judgment, may waive all or a portion of the amount collected in excess of 100% of the highest daily price. Any such waiver shall be granted on a non-discriminatory basis to all Shippers from whom amounts were collected in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.

8.5 A. In circumstances where Shipper is unable to eliminate its PALS RO Balance because Transporter is unable to accept the PALS RO Nomination, Shipper shall take any action to reduce the Balance which Transporter can accommodate and Shipper shall be granted additional time to eliminate its PALS RO Balance corresponding to the time Transporter was unable to accept the PALS RO Nomination. Shipper shall not incur any penalty as to that portion of the Balance resulting from Transporter's inability to accept the PALS RO Nomination. Such extension shall only apply in instances where a Shipper's inability to eliminate the PALS RO Balance is attributable to Transporter's inability to accept and confirm PALS RO Nominations. Shipper remains responsible to nominate the appropriate level of transportation to meet Transporter's notification requirements.

B. To the extent that Shipper's allocated and delivered volume is more or less than the nominated and confirmed volume, Transporter shall notify Shipper no later than ten (10) Business Days after the end of the Month following the end date of the PALS RO. Shipper shall be afforded three (3) Business Days after the notice to make up the volume deficiency either through removal or by providing Gas in kind, without penalty or daily fees. Unless otherwise agreed by Transporter, any volume not removed or repaid in kind shall be subject to the provisions of Section 8.4.

*Effective Date: 09/01/2007 Status: Effective*

*FERC Docket: CP06-354-002*

**Original Sheet No. 64** Original Sheet No. 64 : Effective

RATE SCHEDULE PALS

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. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

Effective Date: 01/01/2008 Status: Effective  
FERC Docket: RP08-90-000

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

RATE SCHEDULE PAWS  
POOLING AND WHEELING SERVICE

1. AVAILABILITY

This Rate Schedule PAWS is available to any entity (hereinafter called Shipper) which: (a) submits to Transporter a valid request as defined in Section 3 hereof; and (b) executes a Pooling and Wheeling Service Agreement ("PAWS Agreement") with Transporter applicable to service under this Rate Schedule PAWS. The form of PAWS Agreement is contained in this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule PAWS shall apply to all service provided on an interruptible basis which is rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule and shall consist of the following:

- A. Pooling Service. Pooling Service hereunder shall consist of the receipt of Gas from a PAWS Shipper, or for a PAWS Shipper's account, at a physical point within a specified Hub and the redelivery of Gas at the Hub Pooling Point within the same Hub to Shippers receiving Gas at such Hub Pooling Point.
- B. Wheeling Service. Wheeling Service is the receipt of Gas by a PAWS Shipper, or for a PAWS Shipper's account, at a physical point or Hub Pooling Point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

2.2 Transporter shall not be required: (a) to accept on any Day Gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in Shipper's PAWS Agreement with Transporter, or (b) to deliver on any Day Gas requested, in excess of the MDQ specified in the PAWS Agreement; or (c) 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.

Effective Date: 01/01/2008 Status: Effective

FERC Docket: RP08-90-000

**Original Sheet No. 66** Original Sheet No. 66 : Effective

RATE SCHEDULE PAWS

2. APPLICABILITY AND CHARACTER OF SERVICE (Contd.)

- 2.3 Transporter is not providing hereunder any transportation service between any Receipt Point and Delivery Point which are not located in the same Hub. Transportation from a Receipt Point in one Hub to a Delivery Point in another Hub will require service under a different transportation service rate schedule of this Tariff.
- 2.4 The service provided under this Rate Schedule PAWS shall be performed in accordance with Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule PAWS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter 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 a PAWS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.
- 2.5 Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.

RATE SCHEDULE PAWS

3. VALID REQUESTS

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

- A. Submission of a request for service hereunder shall constitute Shipper's agreement with the terms and conditions of this Rate Schedule PAWS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.
- B. Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.
- C. A request shall not be valid and Transporter 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 Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (3) if Transporter determines, based on the credit analysis referenced in Section 3.1B, 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 PAWS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule PAWS.
- D. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule PAWS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.

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FERC Docket: RP08-90-000

**Original Sheet No. 68** Original Sheet No. 68 : Effective

RATE SCHEDULE PAWS

3. VALID REQUESTS (Contd.)  
3.1 (Contd.)  
E. Transporter shall tender a PAWS Agreement to Shipper for execution after Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a PAWS Agreement hereunder within ten (10) Days after the PAWS Agreement has been tendered by Transporter for execution.
- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number (303) 763-3515

The information required for a valid request shall be as follows:

- A. SHIPPER CONTACT INFORMATION  
The request shall include Shipper's name, billing address, representative, and general correspondence address.
- B. GAS QUANTITIES  
The request shall specify in Dth the aggregate MDQ; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.
- C. TERM OF SERVICE  
The request shall specify the date service is requested to commence. Service shall terminate in accordance with the provisions of Section 4 of this Rate Schedule PAWS.

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FERC Docket: RP08-90-000

**Original Sheet No. 69** Original Sheet No. 69 : Effective

RATE SCHEDULE PAWS

3. VALID REQUESTS (Contd.)

3.2 (Contd.)

D. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter;
- (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;

4. TERM

The term of service hereunder shall be set forth in the PAWS Agreement between Shipper and Transporter. Transporter may terminate the PAWS Agreement prior to the contract expiration date if Shipper fails to tender Gas to be delivered by Transporter during any twelve (12) consecutive calendar Months when Capacity is available, unless Shipper's failure to tender Gas was attributable to circumstances of Force Majeure.

Effective Date: 09/12/2009 Status: Effective  
FERC Docket: RP09-890-000

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

RATE SCHEDULE PAWS

5. RATE

The applicable rates, including any surcharges, for Pooling and Wheeling Service are set forth in this Tariff, as revised from time-to-time. Unless otherwise agreed to in writing between Transporter and Shipper, or by Shippers' election to nominate service consistent with the terms of the applicable service discounts rate offers posted by Transporter on its Interactive Website from time-to-time, the applicable rate shall be the maximum rate set forth on the currently effective rate sheet of this Tariff. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.

5.1 For Pooling Service provided under this Rate Schedule PAWS, Shipper shall pay Transporter for each Dth of Gas delivered to Shipper, or for Shipper's account, the applicable maximum Commodity Rate set forth in this Tariff, unless otherwise agreed to in writing between Shipper and Transporter.

5.2 Wheeling Service Charges.

A. For Wheeling Service provided under this Rate Schedule PAWS, Shipper shall pay Transporter for each Dth of Gas delivered to Shipper, or for Shipper's account, the applicable maximum Commodity Rate set forth in this Tariff, unless otherwise agreed to in writing between Shipper and Transporter.

B. Shipper shall reimburse Transporter for Lost and Unaccounted-for Gas in connection with Wheeling Service at the applicable reimbursement percentage set forth in this Tariff, and as provided by Section 38 of the General Terms and Conditions of this Tariff.

5.3 A. Shipper shall reimburse Transporter, within five (5) Days after receiving an invoice from Transporter, for all fees incurred by Transporter which are 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 (such as general rate case filing fees).

RATE SCHEDULE PAWS

5. RATE (Contd.)  
5.3 (Contd.)

- B. Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the corporate income tax effects thereof, according to the following formula:

$$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$

- 5.4 The ACA charge will be assessed on Wheeling Service provided hereunder, as provided in Section 30 of the General Terms and Conditions of this Tariff. The ACA charge shall not be assessed on Pooling Services provided hereunder.
- 5.5 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule PAWS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.

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FERC Docket: RP08-90-000

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

RATE SCHEDULE PAWS

5. RATE (Contd.)  
5.5 (Contd.)

- 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 Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the PAWS Agreement or a separate rate agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the PAWS Agreement or a separate rate agreement, be decreased to such reduced rate.

RATE SCHEDULE PAWS

5. RATE (Contd.)

5.6 Transporter may from time-to-time and at any time, upon written notice, subject to any provisions on discounting in the PAWS Agreement or in a separate rate agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule PAWS 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 PAWS set forth in this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected.

5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule PAWS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been specifically ordered by FERC to provide for a different disposition of such amounts.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

6.1 Shipper shall provide Transporter 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 Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

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FERC Docket: RP08-90-000

**Original Sheet No. 74** Original Sheet No. 74 : Effective

RATE SCHEDULE PAWS

6. NOMINATIONS, SCHEDULING AND IMBALANCES (Contd.)
  - 6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a Monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter. Imbalances at Hub Pooling Points are not allowed.
7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS
  - 7.1 A PAWS Agreement shall include all available Receipt and Delivery Points within a specified Hub, as set forth on Transporter's Interactive Website and as revised from time-to-time, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an interruptible basis shall be specified in Dth in the PAWS Agreement. The quantities available at each Receipt and Delivery Point within a specified Hub, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.
  - 7.2 Acceptable conditions of operation at Receipt and Delivery Points within a specified Hub are set forth in the General Terms and Conditions of this Tariff.
  - 7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule PAWS and must be coordinated with Transporter.

RATE SCHEDULE PAWS

8. OVERRUN SERVICE

8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the PAWS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Authorized utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter, and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff unless otherwise agreed to in writing by Transporter.

8.2 For any Overrun Service hereunder which is not Authorized Overrun Service ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an PAWS Agreement, which exceeds Shipper's Nomination on any Day under such PAWS Agreement, multiplied by two (2) times the daily index price for the Day on which the Unauthorized Overrun occurred, as published in "Platt's Gas Daily," under the "Midpoint" column, for the locations listed below:

Location of Receipt or Delivery Point, as applicable:

| East of:  | West or South of<br>and Including: | Index                |
|-----------|------------------------------------|----------------------|
|           | Wamsutter                          | CIG, Rocky Mountains |
| Wamsutter | Cheyenne                           | Cheyenne Hub         |
| Cheyenne  | PEPL-Audrain County, MO            | Northern Demarc      |

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FERC Docket: RP08-90-000

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

RATE SCHEDULE PAWS

8. OVERRUN SERVICE (Contd.)

- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, or as otherwise may be required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

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. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

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FERC Docket: RP10-474-000

**Original Sheet No. 77** Original Sheet No. 77

RATE SCHEDULE IBS  
INTERRUPTIBLE BALANCING SERVICE

1. AVAILABILITY

1.1 This Rate Schedule IBS is an interruptible balancing service available to any entity (hereinafter called Shipper) which:

- A. Submits to Transporter a valid request as defined in Section 3 hereof;
- B. Executes an Interruptible Balancing Service Agreement ("IBS Agreement") with Transporter applicable to service under this Rate Schedule IBS;
- C. Meets the qualifications set out in Section 1.2 below; and
- D. Submits one or more Access Requests for daily balancing services and is confirmed by Transporter for a total volume range of such quantities, as consistent with Section 6 hereunder, as Shipper's right and obligation on any day to receive and pay for daily balancing services so as to permit increases or decreases in actual deliveries from nominated daily quantities.

1.2 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 Delivery Point for each IBS Agreement. Service hereunder is intended to provide interruptible daily park or loan services to meet changes in demand behind a specified Delivery Point serving certain end-use facilities and/or changes in a local distribution customer ("LDC") service area. Limited aggregation of end-use facilities behind a single Delivery Point is permitted. Such end-use facilities need not be directly connected to Transporter's system, but the conditions specified in Section 3.2C of this Rate Schedule IBS must be met. The offering of IBS Service hereunder is conditioned upon Shipper nominating to the Delivery Point transportation quantities under an FTS or ITS Agreement to which the IBS Agreement is linked, consistent with Section 3.2A of this Rate Schedule IBS. The Delivery Point must be a physical point of delivery (either primary or secondary) available under the linked transportation Agreement and may not be a Hub or Pooling Point.

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RATE SCHEDULE IBS (continued)

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

- 2.1 This Rate Schedule IBS shall apply to all interruptible balancing services provided by Transporter for a Shipper at a specified Delivery Point. A Shipper may nominate service hereunder pursuant to daily balancing Access Requests under Section 6 of this Rate Schedule IBS. This service will be provided based on line pack and/or operational Gas capability and on offsetting Access Requests under Section 6 of this Rate Schedule IBS. It is understood that Transporter is not providing a supply or storage service under this Rate Schedule IBS.
- 2.2 This service is designed to help a Shipper accommodate differences between nominated and actual gas flows to a specified Delivery Point under the FTS or ITS Agreement to which the IBS Agreement is linked consistent with Section 3.2A of this Rate Schedule IBS.
- 2.3 Transporter shall not be required to provide service hereunder:
  - A. In excess of Shipper's confirmed daily Access Request under the IBS Agreement and as determined under Section 6.1 hereof;
  - B. In excess of the maximum allowable cumulative IBS Balance (the Cumulative Balance under an IBS Agreement may not exceed two times Shipper's MDQ, absent agreement by Transporter) or in excess of the MDQ of the IBS Agreement; or
  - C. If Transporter determines on a non-discriminatory basis that the offering of requested balancing services to Shipper at a designated Delivery Point would reduce its ability to satisfy existing obligations to higher priority services or maintain the integrity of its System.
- 2.4 Priorities of service for purposes of scheduling and curtailment shall be governed by Section 3 of the General Terms and Conditions of this Tariff.
- 2.5 The service provided under this Rate Schedule IBS shall be performed in accordance with 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 Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the

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RATE SCHEDULE IBS (continued)

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.

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 for 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 Transporter shall not be required to grant any such request: (1) which could in Transporter's judgment interfere with operation of its System or with service to any firm Shipper; (2) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (3) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (4) if Transporter determines, based on the credit analysis referenced in Section 3.2E, 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; (5) if the service requested would not comply with this Rate Schedule IBS; or (6) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount or negotiated rate consistent with this Tariff.
- B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule IBS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
- C. Transporter shall tender an IBS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an IBS Agreement hereunder within ten (10) Days after the IBS Agreement has been tendered by Transporter for execution. A daily Access Request is required to commence service on any day.

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RATE SCHEDULE IBS (continued)

- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Email: WRGP@kindermorgan.com

The information required for a valid request shall be as follows:

A. LINKED TRANSPORTATION AGREEMENT

Shipper shall identify in its request the upstream FTS or ITS Agreement to which service hereunder will be linked. The balancing service hereunder shall relate to the volumes nominated and allocable at the Rate Schedule IBS Delivery Point under the linked transportation Agreement. The effectiveness of this IBS Agreement and the confirmation of daily Access Requests 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 FTS transportation Agreement may be a released transportation Agreement but the Replacement Shipper under the linked FTS Agreement must also hold an IBS Agreement at the Delivery Point and be the same Shipper on any day when services are rendered hereunder.

RATE SCHEDULE IBS (continued)

B. CONTRACT QUANTITY

- (1) 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 and shall represent the maximum quantity to be parked or loaned hereunder on any Gas Day to balance variations between actual and scheduled flows at the Delivery Point under the linked transportation agreement. If the transportation Agreement is linked to more than one IBS Agreement, then the sum of the MDQs under all IBS Agreements served by that linked transportation Agreement must be equal to or less than the transportation contract MDQ. Subject to the above limitations, the MDQ under the IBS Agreement shall be as specified by Shipper in its request for service; provided, however, that the MDQ may not exceed the higher of: (i) the highest daily usage served by Transporter at the Delivery Point during the prior twelve (12) months; or (ii) the highest daily usage which will be served by Transporter at such Delivery Point during the ensuing twelve (12) months as reasonably projected by Shipper and Transporter. The MDQ shall be re-determined at the request of either Shipper or Transporter no earlier than six (6) months after the then most recent MDQ determination or at any time by mutual agreement.
  
- (2) The request must specify the Cumulative Balance under the IBS Agreement. The Cumulative Balance shall represent the maximum quantity owed by Shipper as parks or loans, as delineated separately for total cumulative park or loan quantities in Dth, and shall not exceed two times the IBS Agreement MDQ, unless otherwise agreed to in writing.

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RATE SCHEDULE IBS (continued)

C. DEMAND FACILITIES SERVED BEHIND DELIVERY POINT

Shipper shall identify the load characteristics of LDC and/or specific end-use facility or facilities for which balancing service is to be provided under the IBS Agreement at or behind the Delivery Point. The IBS Agreement may cover multiple end-use facilities as long as they are served by the designated Delivery Point. The location of such Rate Schedule IBS Delivery Point must be geographically consistent with the location of the LDC and/or end-use facility or facilities. Electronic measurement equipment must be in place and the information must be accessible to Transporter such that real time data on deliveries to the end-use facility or facilities are available to Transporter.

- (1) The request shall contain a statement either: (i) that the service under the IBS Agreement will be used to meet changes in demand for the specified LDC and/or end-use facility or facilities identified in the request directly connected to Transporter's system; or (ii) that service under the IBS Agreement will be used for LDC and/or end-use facility or facilities identified in the request and behind the Rate Schedule IBS Delivery Point and the requirements of (2) below are or will be met. Where a facility or facilities are not directly connected to Transporter, the end-use facility or facilities must facilitate changes in flow through a point operator which is interconnected with Transporter's system facilities at the Rate Schedule IBS Delivery Point.

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RATE SCHEDULE IBS (continued)

- (2) Where an LDC and/or end-use facility is not directly connected to Transporter's system, separate real-time measurement data sharing agreements must be executed among Transporter, the Shipper, the operator of the end-use facility and the point operator. These real time measurement data sharing agreements must provide (i) that the point operator will monitor the use of the service to assure that service is being provided hereunder to the end-use facility or facilities consistent with this Rate Schedule IBS; and (ii) that, during periods when deliveries to the LDC and/or end-use facility are from more than one source, gas from Transporter is deemed the first gas delivered to and used by the LDC and/or end-use facility unless otherwise agreed to in a Predetermined Allocation Agreement. Transporter will provide to the point operator relevant flow and nomination information related to the IBS Agreement. Service hereunder for any end-use facility not directly connected to Transporter shall be contingent upon satisfaction on a continuing basis of these requirements.

D. TERM OF SERVICE

The first date service is requested to commence and last date service is to terminate (Primary Term) under Rate Schedule IBS, or whether the request is subject to an evergreen provision (permitting an extension).

RATE SCHEDULE IBS (continued)

E. CREDIT

Shipper shall provide with this request information necessary for Transporter to conduct a credit appraisal. Service by Transporter hereunder is subject to Shipper meeting the credit requirements set forth in Section 13 of the General Terms and Conditions of this Tariff.

F. COMPLIANCE WITH TRANSPORTER'S 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 of this Tariff as revised from time-to-time.

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 an initial Nomination for transportation under an executed IBS Agreement is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter; 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.

H. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

RATE SCHEDULE IBS (continued)

I. DAILY ACCESS REQUEST QUANTITIES

Access Requests, in the form and manner prescribed by Section 6 herein, setting forth the requested quantities must be submitted by Shipper in accordance with this Rate Schedule IBS. The request shall include an estimate of the quantity, within MDQ, to be nominated for potential park or loan on any Gas Day to implement balancing services hereunder at the Delivery Point for the linked transportation agreement. As applicable, Shipper or Point Operator must separately identify the volumes attributed to the specific Delivery Point covered by the IBS Agreement.

4. TERM

- 4.1 The term of service hereunder shall be set forth in the IBS Agreement between Shipper and Transporter, and shall not be less than one Gas Day or the duration of a confirmed Access Request pursuant to Section 6 hereunder. The term of this IBS Agreement will terminate upon the earlier of: (i) termination of the IBS Agreement; (ii) a capacity release under the linked FTS agreement that results in the MDQ available to Shipper being less than the MDQ of the IBS Agreement; or (iii) expiration 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.
- 4.2 Upon termination or expiration of any IBS Agreement, service by Transporter to Shipper there under shall cease and shall be automatically abandoned.

5. RATE

- 5.1 Shipper shall pay Transporter each month for service under this Rate Schedule IBS the sum of the following charges:
- A. A Daily Access Charge on confirmed total volume of daily Access Requests as provided in Section 5.2 below; and
- B. Any other applicable charges and penalties set out in this Rate Schedule IBS or the General Terms and Conditions of this Tariff.

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RATE SCHEDULE IBS (continued)

- 5.2 The Access Charge shall be the product of the then effective applicable Daily Access Rate under the IBS Agreement multiplied by the sum, for each Gas Day of the billing month, of the absolute Dth quantity of Access Requests nominated by Shipper and confirmed by Transporter. Confirmed Access Request quantities for balancing increases from nominations ("swing-up loans") are added to Access Requests for balancing decreases ("swing-down parks") and are not netted in deriving the absolute quantity for purposes of billing of the Access Charge.
- 5.3 The maximum and minimum rates applicable to this Rate Schedule IBS are set forth in the Currently Effective Rates section of this Tariff. Unless otherwise agreed to in writing or as set forth herein, maximum applicable tariff rates shall apply to confirmed daily Access Request quantities.
- 5.4 By mutual agreement between Transporter and Shipper or as otherwise set forth herein, discounts or Negotiated Rates may be limited to specific quantities or periods hereunder.
- 5.5 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' oral or written notice, or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time, and subject to any provisions on discounting in the IBS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, 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 as applicable. Transporter will confirm any oral notice of the applicable rate in writing. Such notification shall specifically 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, Transporter 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' oral 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. Transporter 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.

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RATE SCHEDULE IBS (continued)

- 5.6 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 33 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.
- 5.7 Notwithstanding the foregoing, the Access Charge for any Gas Day shall be reduced to the extent that Transporter 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.
- 5.8 If on any Gas Day the balancing service volumes hereunder exceed: a) Shipper's MDQ; b) Shipper's maximum allowed Cumulative IBS Balance for park or loan under the IBS Agreement; or c) the confirmed daily Access Request quantities determined under Section 6.1 hereof, Shipper shall pay either an authorized overrun rate, or an unauthorized overrun rate consistent with Section 7 of this Rate Schedule.
- 5.9 A. Shipper shall reimburse Transporter, within five (5) Days after receiving an invoice from Transporter, for all fees incurred by Transporter which are 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 (such as general rate case filing fees).
- B. Incremental Facility Charge. When the construction of new facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities (including Transporter overheads) plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the income tax effects thereof, according to the following formula:

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RATE SCHEDULE IBS (continued)

Tax Reimbursement = [Tax Rate x (CIAC - Present Value of Tax Depreciation)] x [1 + {Tax Rate/(1 - Tax Rate)}]

- 5.10 A transportation commodity charge and related Fuel and Lost and Unaccounted-for Gas (FL&U) shall be paid once, but only once, under the linked transportation Agreement associated with any IBS Balance. Shipper shall not pay commodity charges and related FL&U for transportation associated with IBS Payback, except to the extent transportation charges under the linked transportation Agreement are required to satisfy the prior sentence and the conditions set forth in Section 6.3B hereunder. Any ACA, transition cost charges 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.
- 5.11 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule IBS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- 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 Transporter 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, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the IBS Agreement or a separate discount Agreement (including a negotiated rate agreement), be decreased to such reduced rate.
- 5.12 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule IBS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

RATE SCHEDULE IBS (continued)

6. ACCESS REQUESTS, PAYBACK NOMINATIONS, BALANCING SERVICE CHARGES, OVERRUN CHARGES, AND CASHOUT
- 6.1 Subject to the remainder of this Section 6, on any Gas Day and at that time when transportation nominations are due, Shipper may submit an Access Request for balancing service under its IBS Agreement up to its MDQ of park and/or loan.
- A. The Access Request, which shall constitute Shipper's nomination under the IBS Agreement, shall specify for a Gas Day the volume and direction to park or loan as balancing services and must reference the specific end user at a Delivery Point to which the service relates. An Access Charge shall apply on the confirmed total volume Transporter will utilize to meet increases (swing-up) or decreases (swing-down) in actual flows at the Delivery Point from confirmed nominated daily quantities under the linked transportation agreement.
- B. For a Shipper to request service hereunder, that Shipper must have in effect a linked FTS or ITS Agreement consistent with Section 3.2A of this Rate Schedule IBS. The Access Request must reference the linked transportation Agreement.
- C. Intraday Access Requests may be submitted for new or increased balancing services, consistent with the nomination deadlines otherwise applicable under this Tariff. Intraday Access requests may not be submitted which decrease the level of previously confirmed Access Requests for the same gas day. The priority for scheduling and confirming Intraday Access Request increases shall be consistent with the priorities set forth in Section 6.2 of this Rate Schedule IBS and Section 7.6 of the General Terms and Conditions of this Tariff.
- 6.2 Transporter shall confirm Access Requests made each Gas Day under an IBS Agreement which are consistent with this Rate Schedule IBS and, in Transporter's reasonable judgment, Transporter has the line pack capability to provide such service, Transporter determines that such actions are not detrimental to its ability to satisfy any of its existing obligations with higher priority service or to meet System operational needs. It is understood that Transporter is not providing a supply or storage service under this Rate Schedule IBS.

RATE SCHEDULE IBS (continued)

- A. A confirmed Access Request for a Gas Day shall permit a Shipper to receive balancing 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 do not establish changes to scheduled transportation nominations and are used to define the level of balancing service available to the Shipper that day to cover IBS Balance volumes allocated under Section 6.2B. Further, this service is subject to the curtailment provisions of the General Terms and Conditions of this Tariff.
  
  - B. Transporter shall account separately for each Gas Day's imbalance services under the IBS Agreement. Differences on any Gas Day between nominations and physical gas flow at the specified Delivery Point and associated with the linked FTS or ITS Agreement shall be allocated to the IBS Agreement up to the confirmed Access Request quantities. The resulting allocated imbalance volume, which may be positive or negative, shall be added to the IBS Agreement Cumulative Balance and the linked FTS or ITS Agreement will not reflect an imbalance at the delivery point for such quantities. Actual volumes allocated to the linked transportation Agreement at the Delivery Point may be pursuant to a predetermined allocation Agreement. Service hereunder allows Shipper to have daily imbalances or variances within the level of the confirmed Access Request. Any volume allocated to Shipper at the Delivery Point on any Gas Day in excess of 1) the confirmed Access Request quantity for park or loan under this Section 6; 2) the MDQ of the IBS contract; and/or 3) the maximum allowable Cumulative Balance shall be subject to additional overrun charges pursuant to Section 7 of this Rate Schedule.
- 6.3 Transporter shall provide to Shipper on its Interactive Website the best available information on the IBS Balances under an IBS Agreement by 10:00 a.m. CCT for the next Gas Day. Transporter shall identify both the IBS Balance for the Gas Day ("Daily Balance") and the Cumulative Balance. The Daily Balance parked or loaned shall equal Transporter's allocation under Section 6.2 to balance the linked transportation agreement on that Gas Day. Shipper shall be obligated, based upon Shipper's projected requirements and information provided by Transporter, to nominate in the next Gas Day's timely nomination cycle to payback and bring its Daily Balance and Cumulative Balance to zero ("IBS Payback nomination"). Transporter may adjust the Daily and Cumulative Balance information in future periods, and Shipper's future payback obligations shall be adjusted accordingly, but Shipper should nominate IBS Payback nominations based upon available information provided by Transporter.

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RATE SCHEDULE IBS (continued)

- A. The IBS Payback nomination shall be separately identified and may require companion nominations under transportation agreements, as applicable: 1) for IBS Payback of parks to be consumed at the IBS Delivery Point, the Shipper only needs to nominate the quantities of gas under the IBS Agreement and no further transportation nomination or charges apply; 2) for IBS Payback of loans for delivery to other than the IBS Delivery Point, the payback quantities must be nominated under a transportation agreement (but not necessarily the linked Agreement) to which transportation charges from the IBS Delivery point to the nominated delivery point shall apply; and 3) for IBS Payback of loans, the Shipper must acquire and nominate supply from a receipt point on the linked transportation Agreement for delivery to the IBS Delivery Point, to which transportation charges to the IBS Delivery point will apply.
- B. IBS Payback nominations of loan balances and IBS payback of park balances for delivery to other than the IBS Delivery Point 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 capacity rights and commodity charges and FL&U, consistent with Section 5.10 of this Rate Schedule IBS, shall apply under the linked transportation Agreement for payback of loan quantities and for park IBS Payback for delivery to other than the IBS Delivery Point. IBS Payback nominations for park balances to the IBS Delivery Point require no additional transportation and are not assessed transportation commodity charges or FL&U.
- C. In instances where the IBS Payback of a loan balance exceeds the capacity rights under the linked transportation agreement, such volumes shall be deemed transportation overrun and evaluated by Transporter for scheduling purposes on the same basis as other overrun requests. Transporter confirmed quantities for IBS Payback of a parked balance to the IBS Delivery Point will not incur additional commodity or FL&U charges and will not result in incurrence of any overrun charges. IBS Payback of park balances to other than the IBS Delivery Point requires capacity rights and be subject to the scheduling priority of the selected transportation agreement.

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RATE SCHEDULE IBS (continued)

- D. Transporter has the right to delay or limit IBS Payback. To the extent Transporter does not confirm an IBS Payback nomination, or the nomination is limited by MDQ under the IBS Agreement, 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 Transporter 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 for scheduling reasons, no overrun charges under Section 6.5 or Section 7.1(A) shall apply until Transporter has confirmed and permitted Payback volumes. The IBS Payback period shall be extended by each day the IBS Payback nomination is not confirmed by Transporter.
- 6.4 Each Daily Balance must be zeroed-out through the IBS Payback nomination process in this Section 6 by the end of three (3) Gas Days or such extended period allowed pursuant to Section 6.3D above. IBS Balances for each Gas Day shall otherwise incur additional charges equal to the Park/Loan Daily Balance Rate or the Mandatory Balancing Provisions of this Rate Schedule IBS that shall otherwise apply, unless otherwise agreed to in writing by Transporter.
- 6.5 The quantity parked or loaned each Gas Day to effectuate balancing under the linked transportation agreement shall constitute the Daily Balance. Each Daily Balance shall be accounted for separately for purposes of applying Park/Loan Balance Rate charges, without netting of Daily Balances, pursuant to the provisions of this Section 6. If Shipper fails to nominate and deliver IBS Payback quantities to reduce a Daily Balance (positive-park or negative-loan balance) in the next Gas Day and at a level sufficient to rectify the daily IBS Balance within three (3) Gas Days, then the Park/Loan Balance Rate shall apply, with no tolerance or exemption, beginning on the fourth (4th) Gas Day to the remaining Daily Balance quantity parked or loaned and shall continue to be assessed each Gas Day thereafter and until the Daily Balance for a Gas Day is nominated, confirmed and delivered so as to eliminate the Daily Balance. IBS Payback nominations shall be applied to the oldest Daily Balance ("first in, first out") and IBS Payback quantities may be designated by Shipper as the first gas through the meter for allocation under predetermined allocation agreements at Receipt Points under the linked transportation agreement or the specified Delivery Point under the IBS Agreement. The Park/Loan Balance Rate, including charges associated with potential overrun of the IBS Balance, will be assessed if Payback nominations are not effectuated

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RATE SCHEDULE IBS (continued)

due to: 1) a lack of gas supply to Payback loan quantities; 2) a failure of a downstream operator to confirm Shipper daily nomination quantities equal to the Payback of park quantities; or 3) insufficient actual flow quantities for the planned Gas Day are allocated to Payback quantities. Upon Transporter's notice, the Mandatory Balancing Provisions of Section 8 hereunder may apply, as applicable, to any Daily Balance not otherwise eliminated.

7. OVERRUN SERVICE

7.1 Authorized Overrun Service. Upon request of Shipper, Transporter may (but is not obligated to) provide balancing services on a Gas Day in excess of: a) the MDQ; b) the Cumulative Balance; or c) confirmed daily Access Request quantities. Balancing service park or loan quantities in excess of such thresholds shall be offered where, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such service without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff and shall be deemed "Authorized Overrun Service Quantities or AOR". Shipper shall pay Transporter the maximum rate for Authorized Overrun Service Quantities, as applicable, and per this Tariff unless otherwise agreed to in writing and set forth below:

- A. For those quantities parked or loaned on any Gas Day which exceeds the maximum IBS Agreement Cumulative Balance for parks or loans, respectfully, an Authorized Overrun Park/Loan Balance Rate shall apply to such quantities parked or loaned;
- B. For those quantities parked or loaned on any Gas Day which exceeds the confirmed daily Access Request quantities for park or loan, respectfully, but within the defined MDQ of park and loan under the IBS Agreement, an Authorized Overrun Daily Access Rate shall apply to such excess quantities parked or loaned; and
- C. For those quantities parked or loaned on any Gas Day which exceeds the MDQ under the IBS Agreement, the Authorized IBS Contract MDQ Overrun Rate shall apply.

RATE SCHEDULE IBS (continued)

7.2 Unauthorized Overrun Service. During periods for which Transporter has declared a Directional Notice, Critical Time or Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff during which interruptible services, such as IBS are not available, any Overrun Service hereunder shall be "Unauthorized Overrun Service." For Unauthorized Overrun Service Shipper shall pay Transporter an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth received by Shipper at the Delivery Point designated under an IBS Agreement, which exceeds Shipper's Nomination on any Day under the associated transportation Agreement, multiplied by two (2) times the daily index price for the Day on which the Unauthorized Overrun occurred, as published in "ICE Day Ahead Natural Gas Price Report," under the "Avg" column for the locations listed below:

Location of Delivery Point:

| Pipeline Segment   | East of:        | West or South of & Including: | ICE Index             |
|--------------------|-----------------|-------------------------------|-----------------------|
| 600-650<br>100-120 |                 | Wamsutter                     | CIG<br>Mainline       |
| 130-160            | Wamsutter       | Cheyenne                      | Cheyenne<br>Hub       |
| 200-290            | Cheyenne        | PEPL-Audrain<br>County, MO    | Demarc                |
| 300-320            | PEPL            | IL / IN<br>Border             | Chicago<br>city-gates |
| 330-390            | IL/IN<br>Border | Clarington                    | Clarington            |

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RATE SCHEDULE IBS (continued)

- 7.3 Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff. Unauthorized Overrun Service Charges stated above may apply to overrun quantities parked or loaned in violation of the Directional Notice or Critical Time orders.
- 7.4 In each instance when a Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
- 7.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper; however, in the event of such waiver the Authorized Overrun Service Charge shall be payable by Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

8. MANDATORY BALANCING PROVISIONS

- 8.1 Mandatory Balancing shall apply where an IBS balance remains and is not rectified: (a) at the end of the term specified in any applicable IBS Agreement; or (b) where Shipper fails to comply with the Payback provisions of Section 6 hereof to eliminate the IBS balance; and (c) the Shipper fails to eliminate the IBS balance after Transporter's notice is given pursuant to Sections 8.2 or 8.3 hereof.
- 8.2 Transporter may require Mandatory Balancing effective the next Day prior to issuing Critical Time Operational Flow Orders pursuant to the notice provisions of Section 36.6 of the General Terms and Conditions of this Tariff, if Transporter reasonably determines that doing so would facilitate System operations and minimize the frequency and severity of Operational Flow Orders in the affected region(s).

RATE SCHEDULE IBS (continued)

- 8.3 In the event that Transporter notifies an IBS Shipper under this Section 8, such notice shall specify the parked IBS Balance to be removed or the loaned IBS Balance to be returned, and the timeframe within which the Balance must be effectuated, but the specified timeframe shall not be less than three (3) Days (in one-third daily increments) from the date of notification. Transporter may allow additional time for contract Balancing when operational conditions permit. Notification shall first be provided by telephone and then by facsimile, by e-mail or in writing. General notices will be posted on Transporter's Interactive Website. In instances when notification is required during times other than normal business hours, Transporter will provide such notification by telephone. To the extent Shipper fails to comply with such notice, the IBS Agreement shall terminate and the provisions of Sections 8.4A and 8.4B shall apply to any remaining IBS Balance.
- 8.4 A. In the event that Shipper has an IBS park balance at the termination of the IBS Agreement, the remaining Balance shall be forfeited to Transporter, free and clear of any adverse claims. The realized value, net of applicable costs, of such forfeited Gas is subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. For each Day during the period between the end of the contract term and either the removal by Shipper of the remaining balance or the forfeiture of Gas to Transporter, Shipper shall pay Transporter the Park/Loan Balance Rate charges pursuant to this Rate Schedule IBS, unless such other applicable Park/Loan Balance Rates are agreed to in the IBS Agreement.
- B. Conversely, if the Shipper has not redelivered an IBS loan balance quantities at the termination date of the IBS Agreement, then Shipper must purchase the unreturned Balance at 150% of the highest daily index price for the indice specified below, as published in "ICE Day Ahead Natural Gas Price Report," under the "Avg" column, applicable to the period of time and Delivery Point (where and when) the IBS loan was taken.

RATE SCHEDULE IBS (continued)

8. MANDATORY BALANCING PROVISIONS: (continued)

| Pipeline Segment   | East of:       | West or South of & Including: | ICE Index          |
|--------------------|----------------|-------------------------------|--------------------|
| 600-650<br>100-120 |                | Wamsutter                     | CIG Mainline       |
| 130-160            | Wamsutter      | Cheyenne                      | Cheyenne Hub       |
| 200-290            | Cheyenne       | PEPL-Audrain County, MO       | Demarc             |
| 300-320            | PEPL           | IL / IN Border                | Chicago city-gates |
| 330-390            | IL / IN Border | Clarington                    | Clarington         |

The amounts collected in excess of 100% of the highest daily price, as applicable, net of costs, are subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. If Operational Flow Orders are in effect on the date Shipper is required to comply with the notice, Shipper shall be subject to the highest penalty charges set forth in Section 37 of the General Terms and Conditions of this Tariff.

- C. The tariff provisions of this Section 8.4 will be implemented by Transporter on a non-discriminatory basis. In each instance when an amount is collected pursuant to Section 8.4B due to failure of Shipper to redeliver a loan balance, Transporter shall have the right to review the circumstances surrounding such failure to redeliver and, in its judgment, may waive all or a portion of the amount collected in excess of 100% of the highest daily price. Any such waiver shall be granted on a non-discriminatory basis to all Shippers from whom amounts were collected in that instance.

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. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 Affiliate-Shipper. An entity that directly or indirectly is controlled by or under common control by the same person(s) as Transporter and that has an Agreement in place for service(s) to be provided by Transporter.
- 1.2 Agent. The party who is authorized, in writing, to act for a Shipper or Point Operator, and who may do and perform any such authorized acts as may be required to be performed by a Shipper or Point Operator under this Tariff, as if the same were being performed by the Shipper or Operator itself.
- 1.3 Agreement. A Transportation Service Agreement subject to, as applicable, Rate Schedules FTS, ITS, IBS, PALS or PAWS; or any agreement to which these General Terms and Conditions may apply.
- 1.4 Alternate Point. Any point not originally listed in a Shipper's Service Agreement as Primary.
- 1.5 Balance or Balancing. The Shipper's or Operator's obligation to cause deliveries to equal receipts, with due consideration given to Fuel and Lost and Unaccounted-for Gas Reimbursement Quantities, and other deductions.
- 1.6 Best Bid. Evaluating a request or bid based on applying a Net Present Value Calculation of the incremental revenues that the Shipper will be paying on Transporter's System.
- 1.7 Business Day. Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
- 1.8 Capacity. The Gas volume which any particular segment or Point of Transporter's facilities is capable of accommodating.
- 1.9 Cheyenne Booster Facilities (formerly known as Cheyenne Hub Facilities). The specific incremental facilities operated by Transporter that provide the pressures necessary for a Shipper to utilize specific points, listed on Transporter's Interactive Website and located in the general area of Weld County, Colorado.
- 1.10 Commission. See FERC.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.11 Curtailment or Interruption. Suspension, either in total or in part, of service due to the Transporter's inability to provide service to a customer for any reason.
- 1.12 Day or Gas Day. A consecutive 24-hour period from nine o'clock (9:00) a.m. to nine o'clock (9:00) a.m. Central Clock Time.
- 1.13 Delivery Point. Any Point at which Transporter delivers to or for the account of Shipper, Gas which has been transported by Transporter under an Agreement.
- 1.14 Dth. One million (1,000,000) Btus and is equivalent to one (1) MMBtu.
- 1.15 Electronic Data Interchange ("EDI"). The electronic communication methodology used to transmit and receive data related to Gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party. Transporter's use and implementation of EDI shall conform to all appropriate NAESB standards. Furthermore, Transporter's implementation of EDI shall be specified in an Electronic Data Interchange Trading Partner Agreement, which shall substantially conform to the NAESB Model EDI Trading Partner Agreement.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

1.16 Equivalent Volumes. The sum of the volumes of Gas measured in Dth received by Transporter for the account of Shipper at the Receipt Points during any given period of time: (a) reduced by (i) Shipper's pro rata share of Fuel and Lost and Unaccounted-for Gas resulting from the operations of Transporter hereunder during the same period of time, and (ii) any Gas vented as provided in Section 3.6B hereof during the same period of time; and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of six (6) 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, Transporter shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. The difference between Btus delivered to Transporter for transportation from all Shippers and Btus redelivered to all Shippers hereunder, shall be deemed Fuel and Lost and Unaccounted-for Gas. Each Shipper shall provide such Fuel and Lost and Unaccounted-for Gas pro rata to the actual Btus of Gas delivered by such Shipper to Transporter during the period covered by the thermal balance; provided, however, that each Shipper shall be responsible for Unauthorized Overrun Gas delivered by Shipper to Transporter which is vented under Section 3.6B; and provided further that Fuel shall not exceed the actual Fuel as defined in Section 1 of these General Terms and Conditions. The formula used to determine the delivery quantity shall be:  $\{(1 - FL\&U\%) / 100\}$  multiplied by the receipt quantity (rounded to the nearest Dth).

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.17 Existing Shipper. Those entities which have an executed Agreement with Transporter.
- 1.18 FERC or Commission. 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 are exercisable by the Federal Energy Regulatory Commission.
- 1.19 Fuel. The thermal equivalent of that volume of Gas actually used by Transporter to effect the transportation of Shippers' Gas hereunder from the Receipt Points to the Delivery Points, as determined by Transporter. Fuel also includes the Gas Equivalent of Electric Power Costs, as determined under Section 38.4B of these General Terms and Conditions.
- 1.20 Fuel and Lost and Unaccounted-for Reimbursement Quantities or FL&U. The sum of the quantity of Fuel and the quantity of Lost and Unaccounted for Gas.
- 1.21 Gas. Combustible hydrocarbon Gas.
- 1.22 Hub. A set of Receipt and Delivery Points on Transporter's system which are located within a specified geographic area as set forth on Transporter's Interactive Website, and subject to change from time to time.
- 1.23 Hub Pooling Point. A designated Pooling Point included within a Hub, as identified on Transporter's Interactive Website, for the purpose of facilitating pooling. A Hub Pooling Point is not a physical point on the system, but is a logical point used to aggregate and disaggregate quantities of Gas at a Hub.
- 1.24 Imbalance. The difference between the Total Energy Content in Dth of transportation Gas received by the Transporter at the Receipt Point(s) for the Shipper's or Operator's account and the Total Energy Content in Dth of transportation Gas delivered by the Transporter to the Shipper's or Operator's account at the Delivery Point(s), with due regard given to the Fuel Reimbursement Quantities, and other deductions.
- 1.25 Interactive Website. Transporter's internet website maintained for communication regarding transportation services in accordance with applicable Commission regulations and North American Energy Standards Board ("NAESB") standards, as described in Section 14 of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.26 Interruption. See Curtailment.
- 1.27 Intra-Day Nomination. A Nomination submitted after the Timely Nomination Cycle, defined in Section 7 of these General Terms and Conditions, whose effective time is no earlier than the beginning of the Gas Day and which runs through the end of that Gas Day.
- 1.28 Lost And Unaccounted-for Gas. The thermal equivalent of the difference between the sum of all input volumes of Gas to the System and the sum of all output volumes of Gas from the System, which difference shall include but shall not be limited to Gas vented (other than Gas vented pursuant to Section 3.4E) and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified, but shall not include Fuel.
- 1.29 Maximum Daily Delivery Quantity (MDDQ). The specified quantity at each Primary Delivery Point listed in a Shipper's Agreement with Transporter. The sum of the MDDQs shall equal the MDQ of the Agreement.
- 1.30 Maximum Daily Receipt Quantity (MDRQ). The specified quantity at each Primary Receipt Point listed in a Shipper's Agreement with Transporter. The sum of the MDRQs shall equal the MDQ of the Agreement.
- 1.31 Mcf. One thousand (1,000) cubic feet of Gas.
- 1.32 MDQ. The maximum daily quantity of Gas which Transporter has agreed to receive or deliver at each Receipt or Delivery Point or in the aggregate, as specified in the Agreement. The MDQ shall not include Fuel and Lost and Unaccounted-for Gas.
- 1.33 Meeker Booster Facilities (formerly known as the Meeker Hub Facilities). The specific incremental facilities operated by Transporter that provide the pressures necessary for a Shipper to utilize specific points, listed on Transporter's Interactive Website and located in the general area of Meeker, Colorado.

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.34 Month. The period beginning on the first Day of any calendar Month and ending at the beginning of the first Day of the next succeeding calendar Month.
- 1.35 Negotiated Rate. A rate or rate formula for service under any applicable Agreement which Transporter and Shipper mutually agree upon, and in which one or more of the individual rate components may be less than, equal to, or greater than Transporter's maximum and/or minimum rates, may be based on a rate design other than Straight Fixed Variable (SFV), and may include a minimum volume.
- 1.36 Net Present Value Calculation or NPV. Utilizing a standard net present value calculation based on a stream of revenues for the term of the bid, discounted by an appropriate interest rate, to determine the highest incremental revenue stream for Transporter's System.
- 1.37 Nomination. The written requests for transportation submitted pursuant to Section 7 of these General Terms and Conditions.
- 1.38 Operational Balancing Agreement or OBA. A contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- 1.39 Operational Impact Area. The area(s) on Transporter's System, as identified in this Tariff and approved by the Commission, in which Imbalances have a similar operational effect.
- 1.40 Overrun Gas. Those volumes of Gas tendered for transportation by Shipper on any Day in excess of its currently effective MDQ, to the extent such Gas is scheduled under Section 7 of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.41 Overthrust Lease Facilities. The specific incremental facilities operated by Transporter pursuant to a Capacity lease with Overthrust Pipeline to permit a Shipper to transport Gas eastward from Opal, Wyoming to the inlet facilities of Transporter's System at Wamsutter, Wyoming.
- 1.42 PIN. The Receipt or Delivery Point identification number associated with all of the Receipt or Delivery Points on Transporter's System. Such PINs can be found on Transporter's Interactive Website.
- 1.43 Point Operator. A party which physically operates facilities connected to Transporter's System for deliveries of Gas into or receipts from Transporter's System or a third-party designated in writing by the party physically operating such facility. Such third-party Point Operator must comply with the applicable Rate Schedule as well as the General Terms and Conditions contained herein.
- 1.44 Primary Delivery Point(s). Those Delivery Points on Transporter's System listed as Primary under Shipper's applicable Service Agreement, as amended from time-to-time.
- 1.45 Primary Path. The path on Transporter's System between the Primary Receipt Point(s) and the Primary Delivery Point(s) as listed in Shipper's applicable Service Agreement.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.46 Primary Receipt Point(s). Those Receipt Points on Transporter's System listed as Primary under Shipper's applicable Service Agreement, amended from time-to-time.
- 1.47 Prospective Shipper. Those entities that do not have a currently effective Service Agreement.
- 1.48 Psi. The pressure measured in pounds per square inch.
- 1.49 Psia. Pounds per square inch absolute.
- 1.50 Receipt Point. Any Point at which Gas is tendered by or for the account of Shipper to Transporter for transportation as specified in an Agreement or as applicable to service under such Agreement by operation of this Tariff.
- 1.51 Recourse Rate. The applicable maximum rate that would otherwise apply to the service but for the Negotiated Rate flexibility allowed under Section 33 hereof.
- 1.52 Service Agreement. A written agreement, and any exhibits, attachments and/or amendments, for Gas service, which is executed by Transporter and Shipper.
- 1.53 Secondary Delivery Point(s). Those Delivery Points on Transporter's System not listed as Primary on Shipper's Service Agreement that Shipper can elect from time-to-time subject to the applicable Rate Schedule and these General Terms and Conditions.
- 1.54 Secondary Receipt Point(s). Those Receipt Points on Transporter's System not listed as Primary on Shipper's Service Agreement that Shipper can elect from time-to-time, subject to the applicable Rate Schedule and these General Terms and Conditions.
- 1.55 Shipper. May refer to Existing Shippers or Prospective Shippers, individually or collectively, depending on the context. In addition, in a given context, Shipper may refer to an entity that is seeking to become a Shipper.
- 1.56 System. The pipeline, any compression, and related facilities owned by Transporter.

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS (Contd.)

- 1.57 Total Energy Content. That amount determined by multiplying the Total Heating Value (as defined in Section 18.5 of these General Terms and Conditions) by the volume of Gas in cubic feet, adjusted for as-delivered water content.
- 1.58 Transporter. ROCKIES EXPRESS PIPELINE LLC.
- 1.59 Unauthorized Overrun Gas. Overrun Gas not accepted by Transporter for scheduling pursuant to Section 7 of these General Terms and Conditions.
- 1.60 Year. A period of three hundred sixty-five (365) consecutive Days or three hundred sixty-six (366) consecutive Days if such period includes February 29.

(Remainder of Sheet intentionally left blank.)

GENERAL TERMS AND CONDITIONS

2. EXPANSION OF THE SYSTEM

Transporter may be willing to expand the System to make Capacity available to a Shipper whenever such an expansion is deemed, in Transporter's sole judgment, economically, operationally and technically feasible, subject to the following conditions:

- 2.1 Transporter does not have adequate unsubscribed Capacity in the System to accommodate the Nominations or Requests for Capacity of Existing and Prospective Shippers pursuant to this Tariff.
- 2.2 Transporter has received an executed Agreement from each Existing and Prospective Shipper.
- 2.3 The nature, extent and timing of facilities required for any expansion shall be at the sole discretion of Transporter, except that in the event Transporter undertakes an expansion of the pipeline beyond 1,800,000 Dth/Day utilizing 42-inch diameter pipe or undertakes an expansion of the pipeline beyond 2,100,000 Dth/Day utilizing larger than 42-inch diameter pipe, Transporter shall file with the Commission for authorization to collect Fuel applicable to such expansion on an incremental basis.
- 2.4 Transporter receives acceptable assurance that Shipper requesting additional Capacity meets the credit criteria outlined herein.
- 2.5 Capacity may be reserved for expansion projects only for a 12-Month period prior to Transporter filing for certificate approval for construction of proposed expansion facilities, and thereafter until the effective date of any service agreement related to the certificate filing or the date the expansion facilities are placed into service.
  - A. If Transporter reserves Capacity for an expansion project, it will notify Shippers of its intent as part of its posting of Capacity on its Interactive Website. Transporter's posting for reserved Capacity for future expansion projects shall include the following information:
    1. a description of the project for which the Capacity will be reserved;
    2. the total quantity of Capacity to be reserved;
    3. the location of the proposed reserved Capacity on the pipeline System;

GENERAL TERMS AND CONDITIONS

2. EXPANSION OF THE SYSTEM  
2.5 (Contd.)  
A. (Contd.)

4. whether, and if so when, Transporter anticipates that an open season for the Capacity will be held or the reserved Capacity will otherwise be posted for bids;
5. the projected in-service date of new facilities; and
6. on an ongoing basis, how much of the reserved Capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal.

Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the project to reflect any material changes in the scope of the project. The reservation posting or open season shall include a non-binding solicitation for turnback Capacity from Transporter's Existing Shippers to serve the expansion project. In the event Transporter includes the solicitation for turnback in the reservation posting, the reservation of Capacity must be posted no later than 90 Days following an open season for a project.

- B. Any Capacity reserved under this section shall be made available for transportation service pursuant to the General Terms and Conditions of this Tariff on a limited-term basis. Transporter reserves the right to limit any extension rights provided in the service agreement and pursuant to Section 17.3 - Right of First Refusal - commensurate with the effective date of any service agreement supporting an expansion project or proposed in-service date of any facilities. Any Capacity for a project that does not go forward for any reason shall be reposted as generally available within 30 Days of the date the Capacity becomes available, with the exception of Capacity committed to in contracts entered into on an interim, limited-term basis during the period the Capacity was reserved for the term of any limited-term contract.

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GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT

3.1 Priority of Service. Shippers shall be entitled to transportation service subject to the availability of pipeline Capacity on Transporter's System in the following order of declining priority:

A. The order for scheduling transportation services is as follows:

1. Firm service at Primary Points and Primary Paths (scheduled pro rata based on Maximum Daily Quantity);
2. Firm service at Secondary Points (scheduled pro rata based on Nominations);
  - (i) Secondary firm service within the Primary Path;
  - (ii) Secondary firm service outside the Primary Path;

Scheduling of firm service Receipt and Delivery Points will be prorated as set forth above, with points within the Primary Path scheduled before points outside the Primary Path; further, a Shipper that nominates service at Secondary Points within its Primary Path in response to a Capacity constraint will receive the highest applicable scheduling priority, consistent with the principles set forth above.

3. Quantities required by Transporter for System requirements, including Fuel reimbursement and Gas purchases and sales for operational use.

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GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.1 Priority of Service (Contd.)

A. (Contd.)

4. Interruptible Transportation Service, Authorized Overrun Service, Park and Loan Service, and Pooling and Wheeling Service, prorated on the basis of rate paid from highest to lowest (scheduled by rate, then prorated on the basis of Nominations);

Further, within this group, Shippers paying the same daily rate shall be scheduled based on Shippers' effective service date. Further, within this group, Shippers having the same effective service date shall be scheduled pro rata based on nominated quantities. All Shippers with Interruptible Service Agreements in effect as of the date of commencement of service on REX-West shall be deemed to have the same effective service date for purposes of this section.

- B. Released Capacity has the same priority as non-released Capacity;

- C. Capacity constraints may exist from time-to-time or Interruption of service may be necessary for certain other reasons. Transporter 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 pressure or quality requirements of these General Terms and Conditions;
2. If Shipper tenders Gas which is rejected by a connecting pipeline or a third party due to such entity's applicable quality specifications at the Delivery Point to which Shipper has nominated deliveries;
3. For reasons of Force Majeure;
4. Due to routine repair and maintenance to be reasonably determined by Transporter;
5. Pursuant to Section 3.8 of these General Terms and Conditions;
6. To rectify Imbalances or to conform physical flows to Nominations to the extent consistent with the specific Rate Schedule;

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)  
3.1 Priority of Service (Contd.)  
C. (Contd.)

7. To maintain System integrity; or
8. If there is a dispute over title, ownership or right to tender or to receive Gas; or
9. Any other provisions provided for in these General Terms and Conditions.

Without limitation to the foregoing, Transporter 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, Transporter will attempt to schedule such activity during a period when it will not result in reduction to firm services, or when such reduction will be minimized.

3.2 Scheduling of Firm Service at Primary Points.

- A. All firm services at Primary Receipt or Delivery Point(s) shall have equal priority to Transporter's System Capacity. Service requested at Secondary Points shall have the priority described in Section 3.3. To the extent Capacity does not exist to provide for all volumes nominated by Shippers on a firm basis within MDQ at Primary Receipt or Delivery Point(s) and along any path defined by Primary Receipt or Delivery Point(s) under all firm Rate Schedules, scheduling and Curtailment shall be pro rata based on MDQ on any portion of Transporter's System affected by a Capacity constraint.
- B. For Shippers under all firm services, Transporter shall provide notice of any Curtailment or of any scheduling restriction as far in advance as feasible. Transporter 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.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)
  - 3.2 Scheduling of Firm Service at Primary Points (Contd.)
    - C. Subject to the availability of firm Capacity at the requested point(s), Shipper, under any firm service, may change Primary Delivery or Receipt Points from time-to-time. Subject to the conditions set forth below, Transporter shall agree to any such change in Primary Delivery or Receipt Point(s) to the extent that such selection of new Points is within the same zone of the existing Primary Receipt or Delivery Point(s) and to the extent that such selection of new points does not result in Shipper exceeding the existing contract MDQ and to the extent that firm transportation and Point Capacity is available, after taking into account existing Capacity commitments under other firm agreements. Additionally, if such new point(s) are subject to incremental charges, Shipper may be responsible for payment of such additional charges. At other Points located outside the same zone, Transporter shall agree to a change in points to the extent that firm transportation and Point Capacity is available, after taking into account existing Capacity commitments under other firm Agreements, and subject to incremental charges up to the maximum applicable rates and charges for points selected in new zones. Transporter shall not be obligated to reserve firm Capacity to reinstate the former Primary Points, once changed. To the extent there are multiple requests at Primary Receipt or Delivery Point(s) by Shipper(s) in which Capacity would be constrained by fulfilling all the requests, Transporter will use the Best Bid methodology to determine which Shipper(s) will be awarded the Capacity, provided, however, that all requests by Foundation, Anchor or other original negotiated rate Shippers for point capacity at an existing constrained point(s) shall be imputed to carry the same net present bid value, regardless of the negotiated rates contained in their original Service Agreements in effect upon the beginning of service of REX-West certificated facilities.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)
- 3.2 Scheduling of Firm Service at Primary Points (Contd.)
- D. The rate applicable to the revised Point(s) shall be the applicable maximum rate, unless the existing Agreement or related discount contract provides otherwise, or unless Transporter and Shipper negotiate a different rate at the time of the 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 FL&U for the path utilized shall apply.
- E. Firm Intra-Day Nominations are entitled to bump scheduled interruptible volumes, as defined in Section 3.4, only during the Evening and Intra-Day 1 Nomination Cycles, as defined in Section 7.2. Firm Intra-Day Nominations are not entitled to bump already scheduled firm volumes.
- 3.3 Scheduling of Firm Service at Secondary Points.
- A. Secondary Points are all other Receipt or Delivery Points which are not set forth as Primary Receipt or Delivery Points in the Service Agreement. Shippers under Rate Schedule FTS shall have access to all Receipt and Delivery Points on Transporter's System not listed as Primary Receipt or Delivery Points, and as such, may nominate service to such other points as Secondary Receipt and/or Delivery Points, subject to additional charges. The priority of service at Secondary Points under Rate Schedule FTS shall be governed by the remainder of this Section 3.3.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)
  - 3.3 Scheduling of Firm Service at Secondary Points (Cont.)
    - B. Service at the Secondary Receipt and Delivery Points shall be provided to the extent Capacity is available at such Points after all Nominations for Primary Point service under Transporter's firm Agreements have been satisfied and subject to any charges for service to such Secondary Points. No Secondary Point service shall be provided in excess of Shipper's aggregate MDQ for that zone in which Shipper has Capacity rights, except as Overrun Service. Unless a Capacity constraint exists at the Point, a Secondary Point Nomination at a Point within the Shipper's Primary Path shall be treated the same as a Nomination by Shipper at a Primary Receipt or Delivery Point. For a Secondary Point outside the Primary Path, service at the Point and service to or from the Point shall have priority over interruptible service but shall be subordinate to Nominations for those Shippers that use their Primary Path service. Service to or from such a Secondary Point outside the Shipper's Primary Path shall also be subordinate to Secondary Point service within the other Shipper's Primary Path to the extent both services utilize the same Capacity. If a Capacity constraint exists at the Point, Subsection C shall govern. If a Capacity constraint exists on a path, Subsection D shall govern. Secondary Point service shall not be subject to Curtailment or allocation (except as set out in Section 3.2A) if no Capacity constraint exists at the Point or path or on any segment to or from the Point or path.

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GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.3 Scheduling of Firm Service at Secondary Points (Contd.)

- C. If Nominations by all Shippers for Secondary Point service for which such Shippers are eligible exceed Transporter's available Capacity at any Secondary Point or the applicable path, available Capacity shall be allocated and scheduled pro rata based on Nominations within the applicable MDQ for the zones in which Shipper has Capacity rights. Shippers utilizing Points within the Primary Path as secondary service shall have a higher priority than Shippers utilizing Points outside the Primary Path as secondary service. This priority applies for service at constrained Points and paths. If Curtailment is necessary, such Curtailment shall be pro rata based on each Shipper's Nominations within its contract MDQ.
  
- D. Shippers may nominate service at Secondary Points so that the direction of flow is the same as or opposite ("backhaul") from the Primary Path direction of flow, if operationally feasible, but if opposite, such Nomination shall be treated as being outside the Primary Path, and shall be subject to confirmation by Transporter pursuant to acceptable operating conditions.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.4 SCHEDULING OF INTERRUPTIBLE SERVICES

This Section 3.4 governs the priority of interruptible services, other than Secondary Point services under firm Agreements, on Transporter's System. All interruptible services shall have priority for Capacity in accordance with the procedures set out in this Section 3.4.

A. Transporter's interruptible transportation service, other than service at Secondary Points under firm Agreements (which is covered in Section 3.3), shall be provided to the extent Capacity is available after scheduling all of Transporter's firm transportation service at Primary and/or Secondary Points. Transporter may decline to schedule and/or may curtail interruptible service 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 Transporter;
- (4) Pursuant to Section 3.7 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;
- (7) If there is a dispute over title, ownership or right to tender or receive Gas;
- (8) If Capacity is required to provide a service with higher priority; or
- (9) Any other provision provided for in these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.4 SCHEDULING OF INTERRUPTIBLE SERVICES (Contd.)

- B. Transporter shall schedule all interruptible services (including Authorized Overrun Service) based on the rate to be paid, from highest to lowest daily rate, with service for which the highest daily rate being paid scheduled 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) shall be afforded highest priority even if a Shipper that has agreed to a Negotiated Rate is paying a higher unit rate.

Further, within this group, Shippers paying the same daily rate shall be scheduled based on Shippers' effective service date. Further, within this group, Shippers having the same effective service date shall be scheduled pro rata based on nominated quantities. All Shippers with Interruptible Service Agreements in effect as of the date of commencement of service on REX-West shall be deemed to have the same effective service date for purposes of this section.

- C. Transporter shall re-determine the priority of each Shipper under this Section 3.4 and reallocate Capacity hereunder on a daily or such other periodic basis as is necessary for Transporter to recognize the priority of new Shippers or any changes in the priorities of Existing Shippers, to assure service to its firm Shippers and to accommodate the operational requirements of its System. The priorities hereunder shall be applied on an Agreement-by-Agreement basis.
- D. An Agreement under an interruptible rate schedule in this Tariff shall include access to Receipt and Delivery Points on Transporter's System. Such access to the Receipt and Delivery Points will be subject to the specific Agreement between Transporter and Shipper. Notwithstanding the foregoing, a Shipper may not utilize a Point for which there is no regulatory authorization to receive or deliver Gas.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.4 SCHEDULING OF INTERRUPTIBLE SERVICES (Contd.)

- E. No Shipper shall have any right to tender Unauthorized Overrun Gas. Unauthorized Overruns are subject to penalty as set out in the individual Rate Schedules. To the extent Transporter is unable to transport Unauthorized Overrun Gas without jeopardizing the integrity of Transporter'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 Transporter), Transporter shall have the right to vent, without incurring any liability to Shipper, or any third party, such Unauthorized Overrun Gas as it is unable to transport. However, Transporter shall use reasonable efforts to avoid or minimize such venting.

3.5 CAPACITY CONSTRAINTS

If Transporter experiences a Capacity constraint on a portion of its System or at specific Points, it shall (to the extent practicable), apply the scheduling and Curtailment provisions hereof, for both firm and interruptible services, only to those Shippers with service affected by that portion of the System or at those Points. Transporter shall endeavor to restrict Curtailment to as limited a geographical area, number of Shippers and services as reasonably feasible, given the operational capabilities of its System. Any Curtailment necessary on any portion of Transporter's system or at specific Points shall be applied to services in the reverse order relative to the scheduling priorities set forth in Section 3.1 of these General Terms and Conditions, provided that, once scheduled, all firm service is assigned the same curtailment priority whether the capacity is scheduled on a primary or secondary basis.

- 3.6 PROTECTION OF LIFE AND PROPERTY. Transporter and Shipper shall collaborate in making adjustments to receipt quantities or delivery quantities, if possible, which may be necessary to avoid or forestall injury to life and property.

- 3.7 LIABILITY FOR INTERRUPTION. If service under this Tariff is interrupted consistent with this section, Transporter shall not be liable for damages resulting from the implementation of the procedures described herein, except to the extent that such Interruptions of service are shown to be the result of negligence or misfeasance by Transporter.

GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.8 DELINQUENCY IN PAYMENT

- A. Irrespective of any otherwise applicable priority, Transporter may suspend service to any Shipper which is delinquent in payments under any Agreement, subject to the following conditions:
- (1) Transporter shall give Shipper written notice of the delinquency and of Transporter's intent to suspend service if the deficiency is not cured. If the delinquency is not remedied within fifteen (15) Days of such notice, Transporter may suspend service. Transporter shall simultaneously provide written notice to the Commission of any such suspension; and
  - (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 Transporter may suspend service to such Shipper within (5) five Business Days after providing notice hereunder unless Shipper remedies the deficiency within that time period.
- B. In addition to or in lieu of suspension, Transporter 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. Such notice may be given simultaneously with the notice provided for under Section 13.4 of these General Terms and Conditions. To avoid termination, the Shipper must remedy the deficiency within this notice period. Transporter shall concurrently notify the Commission of any actual termination of service under this provision.
- C. Transporter may not assess reservation charges to a Shipper for suspended service and a Shipper may not release or recall firm Capacity under service which is subject to suspension.

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GENERAL TERMS AND CONDITIONS

3. SCHEDULING AND DELINQUENCY OF PAYMENT (Contd.)

3.8 DELINQUENCY IN PAYMENT (Contd.)

- D. 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 under this Section 3.8, consistent with Section 12 of these General Terms and Conditions.
- E. Transporter may not take any action under this Section 3.8 which conflicts with any order of the U.S. Bankruptcy Court.

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GENERAL TERMS AND CONDITIONS

4. RECEIPT POINTS

4.1 FACILITIES AT RECEIPT POINTS

Unless otherwise agreed by Transporter, Transporter shall own, operate and maintain all pipeline and measurement facilities necessary to receive and measure Gas hereunder. In the event that any facilities are installed by Transporter, Section 6 of these General Terms and Conditions shall apply.

4.2 OBLIGATION

Transporter's maximum obligation to receive Gas at the Receipt Point(s) under the Agreement shall never exceed the lesser of: (a) the applicable MDRQ under the Agreement in the aggregate or at individual Points, as specified in the Agreement or as applicable to any Point under this Tariff; or (b) the total daily volume Shipper or its designee is able and willing to tender at the Receipt Point(s).

4.3 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 Transporter.

5. RECEIPT AND DELIVERY OF GAS FOR THE ACCOUNT OF SHIPPER

5.1 RECEIPT AND DELIVERY VOLUMES

A. Commencing on the date of first acceptance by Transporter of Gas delivered by or on behalf of Shipper at the Receipt Point(s) pursuant to an Agreement, and continuing thereafter during the term of that Agreement, Transporter 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 pursuant to Section 5.1B and C, below.

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GENERAL TERMS AND CONDITIONS

5. RECEIPT AND DELIVERY OF GAS FOR THE ACCOUNT OF SHIPPER (Contd.)

5.1 RECEIPT AND DELIVERY VOLUMES (Contd.)

B. When necessary for Transporter to maintain system integrity, volumes received at the Receipt Point(s) shall flow ratably (1/24 x nominated 24 hour volume). Higher or lower hourly flow limitations may be posted from time-to-time on the Informational Postings portion of Transporter's Interactive Website, pursuant to actions which may be required under Section 36 of these General Terms and Conditions.

C. When necessary for Transporter to maintain system integrity, Firm Service Equivalent Volumes delivered at the Delivery Point(s) shall be taken at a rate not to exceed 1/24 x nominated 24 hour volume and Interruptible Service Equivalent Volumes delivered at the Delivery Point(s) shall be ratable (1/24 x nominated 24 hour volume). Higher or lower hourly flow limitations may be posted from time-to-time on the Informational Postings portion of Transporter's Interactive Website, pursuant to actions which may be required under Section 36 of these General Terms and Conditions.

5.2 DELIVERY FACILITIES

Unless otherwise agreed in writing by Transporter, Transporter shall own, operate and maintain all pipeline and measurement facilities necessary to deliver and measure Gas hereunder. In the event that any facilities are installed by Transporter, Section 6 of these General Terms and Conditions shall apply.

5.3 OBLIGATIONS

Transporter's maximum obligation to deliver Gas at the Delivery Point(s) under an Agreement shall never exceed the lesser of: (a) the applicable MDDQ under the Agreement in the aggregate or at each Point as specified in the Agreement or as applicable to any Point under this Tariff; or (b) the total daily volume Shipper or its designee is willing and able to receive at the Delivery Point(s).

GENERAL TERMS AND CONDITIONS

5. RECEIPT AND DELIVERY OF GAS FOR THE ACCOUNT OF SHIPPER (Contd.)

5.4 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 Transporter.

6. NEW FACILITIES CHARGE

When new and/or expanded facilities are required to accommodate receipt and/or delivery of Gas under a request for new service, and Transporter determines that installation of such facilities will not impair service to any Existing Shipper or threaten the integrity of Transporter's System, Transporter may construct such facilities, subject to Section 2 of these General Terms and Conditions and subject to provisions contained in each applicable rate schedule.

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS

7.1 GENERAL

A. Transporter 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 Transporter a separate Nomination for each nominated Receipt and Delivery Point under each Agreement with a beginning and end date, or beginning hour, if applicable, for flow which can be for any duration within the term of the applicable Agreement; provided, however, any Nomination shall not be binding to the extent Shipper submits subsequent Nomination(s). All Nominations should be considered original Nominations and should be replaced when 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.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.1 GENERAL (Contd.)

- 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 Receipt and Delivery 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 Transporter, then, upon notification by Transporter, Shipper must include in each Nomination such additional information as is specified by Transporter. Nominations must be submitted to Transporter through Transporter's Interactive Website, or through such other electronic means as are mutually agreed upon by Transporter and Shipper. The sending party should adhere to Nomination, confirmation and scheduling deadlines. The receiving party may waive any submittal deadline in this Section 7.
- D. The standard quantity for Nominations, confirmation and scheduling is dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and gigacalories per Gas 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.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.2 STANDARD NOMINATION CYCLES

Transporter 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 Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of confirmation of scheduled quantities by Shipper and Point Operator (central clock time on the Day prior to flow).
- B. (1) 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 Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and Point Operator(s), and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Day prior to flow).  
  
(2) Scheduled quantities resulting from an Evening Nomination that does not cause another Shipper on Transporter's System to receive notice that it is being bumped should be effective at 9:00 a.m. on the Gas Day; and when an Evening Nomination causes another Shipper on Transporter's System to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the Gas 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 Transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and Point Operator(s), and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Gas Day). Scheduled quantities resulting from Intra-Day 1 Nominations should be effective at 5:00 p.m. on the Gas Day.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.2 STANDARD NOMINATION CYCLES (Contd.)

- 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 Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and Point Operator(s) (central clock time on the Gas Day). Scheduled quantities resulting from Intra-Day 2 Nominations should be effective at 9:00 p.m. on the Gas Day. Bumping is not allowed during the Intra-Day 2 Nomination Cycle.
- E. For purposes of Section 7.2B, C and D, "provide" shall mean, for transmittals pursuant to Standards 1.5.x, 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 15.14 of these General Terms and Conditions.
- 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 7.2 which occur 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 15.9D of these General Terms and Conditions.

7.3 TIMELY NOMINATIONS

- A. Timely Nominations are Nominations submitted consistent with the standard Nomination cycle set out in Section 7.2A.
- B. Nominations received after the timely Nomination deadline will be scheduled after the Nominations received by that deadline.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.4 REQUIRED NOMINATION CHANGES

If estimated daily flows under a particular transportation 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 receipt and delivery 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 Transporter with a Nomination as required in accordance with Section 7.2 hereof.

7.5 CONFIRMATION BY TRANSPORTER

A. Nominations made in accordance with Sections 7.2, 7.3, 7.4, and 7.6 hereof shall not become effective until Transporter has confirmed the nominated receipts and deliveries with upstream and downstream parties, subject to Section 7.5C. Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues, if requested by Transporter and, if requested by Transporter, the appropriate person(s) to confirm Nominations. Confirmations must be submitted to Transporter through the Interactive Website, or such other electronic means as are mutually agreed upon by Transporter and Shipper.

B. Subject to Section 7.2 and the other provisions of this Tariff, Transporter shall provide Shippers and Point Operator(s) via the Interactive Website, or by EDI, the quantities that have been scheduled to flow for that Shipper and Point Operator on the next Day.

C. Default confirmation procedures are as follows, including terms defined by NAESB Standards:

- (1) With respect to the timely Nomination/confirmation process at a Receipt or Delivery Point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.5 CONFIRMATION BY TRANSPORTER (Contd.)  
C. (Contd.)

- (2) 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 should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity will be the new confirmed quantity.
- (3) 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 should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be 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.
- (4) With respect to Subsections 7.5C(1), (2), and (3), if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the Nomination failed, as applicable:
  - (a) the Service Requester's Transportation Service Provider did not conduct the confirmation;
  - (b) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.5 CONFIRMATION BY TRANSPORTER (Contd.)

C. (Contd.)

(4) (Contd.)

- (c) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the Gas or submit the Nomination;
- (d) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
- (e) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the Nomination.

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

7.6 INTRA-DAY NOMINATIONS

- A. An Intra-Day Nomination is a Nomination submitted after the Timely Nomination Cycle, defined at Section 7.2A, whose effective time is no earlier than the beginning of the Gas Day and which runs through the end of that Day.
- B. Transporter supports the Nomination cycles set forth at Section 7.2 during non-Critical Times. During Critical Times, as described in Section 36.6 of these General Terms and Conditions, valid Intra-Day Nominations may be submitted at any time.
- C. Transporter will provide notification of bumped volumes through the Scheduled Quantity document, as posted on Transporter's Interactive Website, or by telephone or facsimile consistent with Sections 14 and 23 of the General Terms and Conditions of this Tariff and through Electronic Notice Delivery consistent with NAESB Standards as adopted in Section 32 of these General Terms and Conditions. During non-Critical Times, Transporter will waive daily penalties applicable to bumped volumes on the Day of the bump. Transporter will also waive penalties if it fails to provide appropriate notice of the bump.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.6 INTRA-DAY NOMINATIONS (Contd.)

- D. For services that provide for Intra-Day Nominations and scheduling, there is no limitation as to the number of Intra-Day Nominations (line items as per NAESB Standard 1.2.1) which a service requester may submit at any one standard Nomination cycle or in total across all standard Nomination cycles.
- E. Revised predetermined allocations (described in Sections 8 and 9 of these General Terms and Conditions) may need to be submitted in conjunction with the Intra-Day Nomination in order to properly allocate the Gas received at the nominated Receipt Point.
- F. Unless Transporter agrees to the contrary, the revised Nomination under an Intra-Day Nomination may be limited by Section 7.5C. Transporter 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 not intended to modify the existing Nomination. The Shipper should submit a new timely Nomination if the Shipper wants to replace the previously submitted 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.

7.7 END-OF-GAS-DAY SCHEDULED QUANTITY DOCUMENT

At the end of each Gas Day, Transporter will provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transporter 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.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.8 OVERRUN QUANTITIES

Shippers submitting Nominations via the Interactive Website or EDI for transportation of Overrun volumes (volumes in excess of the applicable Point MDRQ or MDDQ or the aggregate Agreement MDQ) may either include such Overrun volumes in their Nominations for volumes within the contractual maximum quantities, 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.

7.9 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, 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 Transporter may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.
- C. Transporter may rely on communications from Shipper's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 7.9B. Communications by Transporter to such designated representative shall be deemed notice to Shipper 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 7.9B.
- D. Any third party may administer multiple transportation Agreements as the designated representative for one or more Shippers. However, such representative shall separately administer and account for each such Agreement.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.10 TRANSFER NOMINATIONS

- A. Whenever Gas is purchased at a Receipt Point on Transporter's System by an entity that is not going to nominate that Gas for receipt by Transporter under a transportation Agreement, that entity must submit a transfer Nomination to Transporter through the 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 7.2. In addition to the transfer Nomination, the purchasing entity should submit a predetermined allocation in accordance with Section 8 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's Gas.
- B. A third party or Transporter may provide title tracking services on Transporter's System as follows:
  - (1) The entity seeking to provide such a service (Third Party Account Administrator) shall so notify Transporter in writing, in which event Transporter shall establish an identification number for Nominations involving the Third Party Account Administrator.
  - (2) Transfer Nominations consistent with this Section 7.10 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 or Transporter shall maintain records of any title transfers after delivery of Gas to it and shall submit a Nomination consistent with this Section 7.10 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 7.10.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.11 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 should 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 should identify which delivery should be cut in the event Gas is not or cannot be received as nominated (i.e., ranking). Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.

7.12 SEGMENTATION OF CAPACITY

A. A Shipper may segment its own firm Capacity to the extent operationally feasible. In addition, any Shipper may segment its firm Capacity through release to a Replacement Shipper to the extent operationally feasible. A Shipper segmenting its own firm Capacity shall effectuate such segmentation through the Nomination process under this Section 7.12. A Shipper may release firm Capacity on a segmented basis to the extent consistent with this Section 7.12 by following the procedures for Capacity release set out in Section 15 of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND  
RESERVATION CHARGE CREDITS (Contd.)  
7.12 SEGMENTATION OF CAPACITY (Contd.)

- B. For the purposes of this Section 7.12, a segmentation of firm Capacity (whether of Shipper's own Capacity or on release) shall be deemed operationally feasible unless: (i) the proposed segmentation would result in an increase in firm contractual obligation to Transporter in any zone or on any segment or portion of its System; (ii) the proposed segmentation would result in a physical haul in a direction opposite of the Primary Path under the Service Agreement being segmented, absent a determination by Transporter, which determination will be made within five (5) Business Days of the request, that it can physically perform the segmentation as requested; (iii) the contract path resulting from the proposed segmentation would be entirely within a Hub, as defined in the Informational Postings portion of Transporter's Interactive Website; (iv) the contract path resulting from the proposed segmentation would begin and end within the same reticulated segment in which the physical flow of Gas is not controlled or directed to a specific path, as such reticulated segments are specifically identified in the Informational Postings portion of Transporter's Interactive Website; (v) the proposed segmentation would create a new contract Receipt or Delivery Point within a reticulated segment, if that reticulated segment is within the Primary Path that is being segmented; or (vi) the proposed segmentation would occur entirely within the facilities constituting either the Meeker Booster Facilities or the Cheyenne Booster Facilities as defined in these General Terms and Conditions.
- C. In the event a transportation path is segmented under this Section 7.12, as between the parties to a specific segmentation, the upstream path segment shall receive priority at all Secondary Points within the Primary Path upstream of the break Point and the downstream path segment shall receive priority at all Secondary Points within the Primary Path downstream of the break Point. Nothing in this section shall affect Shipper's priority rights to Secondary Points outside the original Primary Path.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.12 SEGMENTATION OF CAPACITY (Contd.)

- D. If Transporter determines that it 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, subject to determination of the applicable rate pursuant to the discount policy stated in Section 7.13 below. In addition, if Transporter determines that it is operationally feasible, Shipper may segment resulting in a forward haul and back haul to the same point at the same time, up to its MDQ and within the same zone.
- E. Subject to the availability of firm Capacity at the Primary Receipt or Delivery Point(s) and associated lateral or segment and subject to Section 3.2 of these General Terms and Conditions, a segmenting Shipper, a segmenting Replacement Shipper or a segmenting Sub-replacement Shipper may change the Primary Receipt or Delivery Points listed in the Service Agreement to new Primary Receipt or Delivery Point(s) within the same zone if the Shipper (or in the case of a release, the Original Segmenting Shipper) agree to amend the Service Agreement to change the Primary Receipt or Delivery Point(s) accordingly. Transporter shall not be obligated to reserve firm Capacity to reinstate the former Primary Receipt or Delivery Point(s) upon expiration of the segmentation or the Capacity release, unless Transporter allowed the Replacement Shipper or Sub-replacement Shipper to change the point without the Releasing Shipper having agreed to the point change, in which case Transporter shall reinstate the Primary Point for the Releasing Shipper.
- F. In the event segmentation of a Shipper's path, or segmentation that results in a release of Capacity, creates deliveries or receipts exceeding the original Shipper's Capacity rights, by zone, (as defined by the MDQ) in the Agreement, and Transporter schedules and confirms such segmentation, the original Shipper will be subject to the applicable Overrun Service Charge pursuant to the applicable Rate Schedule of this Tariff. In the event segmentation results in a permanent release to any Replacement Shipper, that Replacement Shipper will be subject to the maximum applicable transportation rates set forth in Transporter's tariff.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.12 SEGMENTATION OF CAPACITY (Contd.)

- G. To the extent segmentation results in an increase of a Shipper's or Replacement Shipper's firm contract rights and Transporter schedules and confirms that increase in firm contract rights, the Shipper or Replacement Shipper that caused such increase in firm contract rights will be subject to the applicable Overrun Service Charge pursuant to the applicable rate schedule of this Tariff. If a Capacity release occurs during the Day and the releasing Shipper has already submitted a Nomination, the original Shipper may incur Overrun Service Charges in accordance with the applicable Rate Schedule.
- H. In the event Transporter determines that a previously approved segmentation was inadvertently confirmed, Transporter will notify Shipper that it must select Alternate Points. Unless Transporter determines that a shorter period of time is appropriate, Transporter will provide one Gas Day's notice to Shipper to select alternate Points. Transporter must attempt to give actual notice to Shipper of the need to select alternate Points via e-mail, facsimile or telephone. Transporter will post on its Interactive Website within ten (10) Business Days the explanation for any revocation of segmentation and whether the segmentation is unavailable on a temporary or continuing basis.
- I. Transporter reserves the right to evaluate and disallow segmentation on its System on a case-by-case basis for those situations that are not operationally feasible and not already described in this Section 7.12. Disallowance of segmentation requests will be made on a non-discriminatory basis and the Shipper will be notified of any disallowance and the explanation thereof within two (2) Business Days of the request. Transporter will post on its Interactive Website within ten (10) Business Days the explanation for any disallowance of segmentation not specifically described in this Tariff.

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GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)

7.13 DISCOUNT POLICY

Previously discounted or Negotiated transportation rates for Primary Receipt and Delivery Points will not apply to service at Alternate Points. Unless otherwise agreed to in writing by Transporter, Shipper shall pay the maximum applicable reservation and usage charges for service nominated at the Alternate Points. In addition, if Primary Receipt and Delivery Points are changed, the maximum applicable reservation and usage charges shall apply at the new Receipt or Delivery Point, unless Transporter otherwise agrees in writing.

7.14 RESERVATION CHARGE CREDITS

- A. Transporter shall have the right, without liability to Shipper, to interrupt or curtail the transportation of Gas for Shipper for reasons of force majeure; or when necessary, to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, Transporter's pipeline System, or otherwise related to the operation or maintenance thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper because of such Interruptions.
- B. As used in this Section 7.14, Firm Daily Quantity shall mean the quantity of Gas nominated for firm service by Shipper which Transporter is obligated to schedule for delivery on a firm basis for Shipper at Primary Delivery Point(s) under a firm contract on a Day.
- C. Except as provided in Section 7.14D below, in the event Transporter fails to confirm Nominations on any Day under any firm contract, then the applicable Reservation Charges shall be eliminated for the quantity of Gas nominated but not scheduled for delivery by Transporter at Primary Delivery Points within the Shipper's Firm Daily Quantity under the contract; provided, however, that these charges shall not be eliminated to the extent Shipper uses Secondary Point service.

GENERAL TERMS AND CONDITIONS

7. NOMINATIONS, CONFIRMATIONS, BALANCING, SEGMENTATION, DISCOUNT POLICY AND RESERVATION CHARGE CREDITS (Contd.)  
7.14 RESERVATION CHARGE CREDITS (Contd.)
- D. Transporter shall not be obligated to adjust the Reservation Charge under any contract pursuant to this Section 7.14, when Transporter's failure to confirm Nominations on any Day equal to at least 98% of the Firm Daily Quantity:
    - i. is the result of the conduct of Shipper or the upstream or downstream operator of the facilities at the Receipt or Delivery Point respectively; or
    - ii. occurs either (a) within ten (10) Days following a force majeure event as contemplated by Section 21.1 of these General Terms and Conditions, or (b) prior to the date Transporter has or should have, in the exercise of due diligence, overcome the force majeure event, whichever occurs first.
  - E. Any adjustment shall be credited against transportation charges for a future Month or refunded if the Transportation Service Agreement has terminated. In no event shall such credit be provided to Shippers later than 90 Days after the Month in which the credit was earned. Nothing in this Section should be interpreted to insulate Transporter from liability for direct damages resulting from its own negligence or malfeasance.

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GENERAL TERMS AND CONDITIONS

8. DETERMINATION OF DAILY RECEIPTS

8.1 To the extent feasible, all volumes received by Transporter at a Receipt Point shall be allocated in accordance with the confirmed Nominations for that Point. In the event the actual volumes received by Transporter 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 Transporter. An OBA is one type of a PDA. Shipper agrees that such an allocation is binding on Shipper. Upon request, Transporter agrees to provide to any requesting Shipper a copy of any PDA to which such Shipper's Gas is subject.
- 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.

GENERAL TERMS AND CONDITIONS

8. DETERMINATION OF DAILY RECEIPTS (Contd.)

- 8.2 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 Gas 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 Transporter through the Interactive Website or through EDI before the start of the Gas 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. Transporter shall acknowledge receipt and acceptance of the PDA through the Interactive Website if received through the Interactive Website or via EDI if received via EDI. Such notification of acknowledgment and acceptance will be within fifteen (15) minutes of receipt via the Interactive Website if received via the Interactive Website or via EDI if received via EDI. Transporter's acceptance is contingent on Transporter 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 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 8.1B shall apply.
- 8.3 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 Transporter unless otherwise agreed) and will continue in effect through the end of the calendar Month unless the Allocator submits a new PDA that is accepted by Transporter. PDAs may be submitted to Transporter on any Business Day during the Month and should be submitted if necessary to reflect any changes in the Shippers or the allocation method at the Point.
- 8.4 Allocators who should submit PDAs 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.
- 8.5 Transporter may rely conclusively on effective PDAs in allocating the Gas received at a Point. No retroactive changes to the PDA may be made unless Transporter and all affected parties agree.

GENERAL TERMS AND CONDITIONS

9. DETERMINATION OF DELIVERIES

9.1 PREDETERMINED ALLOCATIONS

In accounting for the volumes delivered by Transporter, in circumstances where multiple services are provided at any Delivery Point, the sequence of volumes delivered shall be determined by a predetermined allocation Agreement between Transporter and the operator of the facilities immediately downstream of the Point at which Transporter delivers Gas. 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 Gas Day. In the absence of such an Agreement, Sections 9.2 and 9.3 shall control. Any new or proposed change to the methodology should be sent to Transporter before the start of the Gas Day on which the methodology is to be effective. Transporter shall confirm receipt of the methodology within fifteen (15) minutes via the Interactive Website if received via the Interactive Website or via EDI if received via EDI. Transporter's acceptance is contingent on Transporter 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.

9.2 DELIVERY SEQUENCE

Unless otherwise agreed, Gas at any Delivery Point shall be deemed to have been delivered in the following sequence:

- A. Volumes scheduled under Firm Service Agreements consistent with confirmed Nominations and within MDQ;
- B. Volumes scheduled under ITS, IBS, PALS and PAWS Agreements consistent with confirmed Nominations and within MDQ;
- C. Authorized Overrun Gas consistent with confirmed Nominations;
- D. Additional volumes shall be allocated pro rata based on confirmed Nominations, but not to exceed the applicable MDQ, among ITS, PALS and PAWS Agreements under which Shippers nominated that Day; and

GENERAL TERMS AND CONDITIONS

9. DETERMINATION OF DELIVERIES (Contd.)

9.2 DELIVERY SEQUENCE (Contd.)

- E. Any remaining volumes shall be allocated as Unauthorized Overrun Gas pro rata based on confirmed Nominations among ITS, IBS, PALS and PAWS Agreements under which Shippers nominated that Day.

9.3 DEFICIENT VOLUMES

Any deficiency in takes from nominated or scheduled volumes shall, unless otherwise agreed, be identified to services by allocating volumes delivered in the sequence set out in Section 9.2. Volumes shall be allocated among Agreements within each class based on confirmed Nominations.

10. ITS REVENUE CREDITING FOR SHIPPERS. Revenues collected by Transporter for Zone 1 under Rate Schedule ITS during any calendar year shall be subject to the following crediting requirements.

10.1 Transporter shall retain all Rate Schedule ITS revenues collected for Zone 1 attributable to:

- (a) that portion of the applicable Zone 1 Rate Schedule ITS rates representing variable costs, including Transporter's administrative costs of providing service in Zone 1; and  
(b) any applicable surcharges.

10.2 In the event Transporter receives revenues from ITS Zone 1 in excess of the cost allocation described in Section 20.4(a) above, Transporter shall credit such excess revenues pro rata to Zone 1 Firm and Interruptible Transportation Shippers. Zone 1 Firm and Interruptible Transportation Shippers shall be credited 100% of their pro rata share of such excess Zone 1 ITS revenues. For purposes of this Section, a Shipper's share of the revenues credited shall be determined in accordance with the quantities transported for that Shipper. Specifically, a firm Shipper's share of revenues shall be determined by multiplying the greater of Shipper's CD or actual quantities transported by the relevant time period.

10.3 The revenues to be credited, if any, shall be credited to those qualifying Shippers not later than April 1 of each year, or if a credit cannot be applied, a cash refund shall be distributed.

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GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY

11.1 RESPONSIBILITY FOR BALANCING

In addition to delivering and receiving volumes of Gas in conformance with Nominations, Shippers are responsible for conforming their takes at Delivery Points with their deliveries to Transporter at Receipt Points each Day. Transporter has no obligation to deliver for the account of a Shipper more volumes of Gas than Transporter 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.

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GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY

11.2 MONTHLY IMBALANCES, NETTING AND OFFSETTING

At the end of each calendar Month, to the extent the net receipts (with the appropriate deductions for FL&U) do not equal the deliveries under an Agreement on a Dth basis, the following netting and offsetting procedures will apply:

- A. Imbalances under a Shipper's Service Agreements of the same class (e.g., FTS or ITS) will be netted together within an Operational Impact Area to obtain the Shipper's Total Monthly Imbalance by Operational Impact Area. The Total Monthly Imbalance by Operational Impact Area will be shown with the Monthly billings sent to Shippers.
- B. To assist Shippers in arranging offsets, Transporter will post on its Interactive Website the Total Monthly Imbalance by Operational Impact Area of any Shipper which has notified Transporter that it has elected to have such information posted. Notification by the Shipper must be made via Transporter's Interactive Website or via EDI 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, and Imbalance information shall remain posted, until the seventeenth Business Day of the Month after the Imbalance occurred.

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GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.2 MONTHLY IMBALANCES, NETTING AND OFFSETTING (Contd.)

- C. Transporter shall enable the Imbalance trading process whereby Shippers can trade Imbalances within the same Operational Impact Area via its Interactive Website or via EDI 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 Imbalance or cashout statement.
- D. All Imbalance Trades shall be received by the seventeenth (17th) Business Day of each Month. 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 Transporter.
- E. After receipt of an Imbalance Trade Confirmation, Transporter shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (Central Clock Time) the next Business Day.

GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.2 MONTHLY IMBALANCES, NETTING AND OFFSETTING (Contd.)

F. Shipper Imbalances by Operational Impact Area remaining after the Imbalance netting and trading procedures set out in Subsections A through E above shall be cashed out as described in Section 11.3 of these General Terms and Conditions.

G. Nothing contained in this Section shall require Transporter to allow netting or trading of Imbalances which may result in a negative financial impact to Transporter. Shipper shall be responsible for all applicable transportation or other charges related to netting or trading Imbalances across zones, or charges related to movement of Gas, via netting or trading, outside the paths covered by Shipper's service agreement(s).

11.3 CASHOUT PROCEDURES

A. Any Imbalance remaining will be cashed out on a tiered basis pursuant to the following schedule, unless other means of disposition are mutually agreed between Transporter and Shipper:

| IMBALANCE LEVEL | OVERAGE<br>(Transporter<br>pays<br>Shipper) | UNDERAGE<br>(Shipper<br>pays<br>Transporter) |
|-----------------|---|--|
| 0% to 5%        | 100% x MIP                                  | 100% x MIP                                   |
| Greater than 5% | 95% x MIP                                   | 105% x MIP                                   |

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GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.3 CASHOUT PROCEDURES (Contd.)

- B. Following any offsetting with other Shippers, a Shipper's remaining Imbalance will be cashed out based on the percentage of that Imbalance compared to the total receipts for that Shipper during the Month. For example, if the total 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 MIP and the remaining 50 Dth would be cashed out at 105% of the MIP.
- C. The Monthly Index Price (MIP) is based on prices as reported by Energy Intelligence Group in the publication "Natural Gas Week." Transporter 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 under the column labeled "\$/MMBtu" in the table entitled "Natural Gas Weekly Spot Prices" of the above publication (or the superseding reference if the publication titling is revised). The issues of such publication to be used in determining each Month's highest and lowest weekly average prices shall include all issues with publication dates within the calendar Month in which the Imbalance occurred, plus the first publication of the next Month after the Imbalance occurred.
  - (1) For Gas owed Transporter (negative 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.

GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)  
 11.3 CASHOUT PROCEDURES (Contd.)  
 C. (Contd.)

- (2) For Gas owed Shipper (positive 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.

Operational Impact Area, as applicable:

| Pipeline Segment   | East of:       | West or South of & Including: | Index                    |
|--------------------|----------------|-------------------------------|--------------------------|
| 600-650<br>100-120 |                | Wamsutter                     | CIG, Rocky Mountains     |
| 130-160            | Wamsutter      | Cheyenne                      | Cheyenne Hub             |
| 200-290            | Cheyenne       | PEPL-Audrain County, MO       | Northern demarc          |
| 300-320            | PEPL           | IL / IN Border                | Chicago city-gates       |
| 330-390            | IL / IN Border | Clarington                    | Columbia Gas, Appalachia |

- D. Following the period for offsetting Imbalances, Shippers with remaining Imbalances shall pay Transporter or will be credited with the appropriate cashout amounts, unless otherwise agreed to in writing by Transporter.
- E. In each instance when a Shipper(s) must cashout its remaining Operational Impact Area Imbalance(s), Transporter shall have the right to review the circumstances surrounding such remaining Imbalance and, in its judgment, may 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.
- F. In the event "Natural Gas Week" becomes unavailable, Transporter shall request authorization from the Commission to substitute another publication and, upon approval, shall substitute information posted in the approved publication for similar indices. The Monthly Index Price shall be reported on Transporter's Interactive Website no later than 5:00 p.m. CCT on the tenth business Day of the Month following the production Month.

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GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.4 OPERATIONAL DATA VS. ACTUALS

In determining the cashout tier applicable under Section 11.3 above, Transporter 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.

11.5 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 highest MIP during the Month the Imbalance occurred.

GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.6 PURCHASE AND SALE OF GAS

Transporter is not providing a supply service under any Rate Schedule of this Tariff. Without limitation of the foregoing, Transporter may purchase and/or sell Gas to the extent necessary to maintain System pressure, to acquire, maintain or manage line pack Gas on the System, to implement the cashout procedures under this Section 11 and/or to perform other System management or operational functions deemed necessary from time-to-time in connection with providing transportation services. The availability of Gas for sale or interest in purchasing Gas will be posted for bidding on Transporter's Interactive Website in accordance with the applicable bidding provisions set forth in this Tariff. If Transporter completes a purchase or sale of Gas, Transporter will post on its Interactive Website, to the extent feasible, not more than two (2) Business Days after the transaction is complete, the counterparty, the date of the purchase/sale, volume and the purchase/sale price. The information pertaining to a completed transaction shall remain on the Interactive Website for at least thirty (30) Days. Further, by April 1 of each Year, Transporter shall submit a report to the Commission stating the above information for each purchase/sale transaction occurring during the previous calendar Year. The annual report will also include information on the cost and revenue associated with the purchase/sale(s), an explanation as to the purpose of the purchase/sale(s), and all entities, including affiliates, from which Transporter purchased operational Gas. The Point(s) of any such purchase or sale shall occur at any Receipt Points or Delivery Points on Transporter's System, or at Points located within any off-System Capacity held by Transporter on other systems. Such purchases or sales shall be authorized pursuant to Transporter's blanket certificate and will be made on a non-discriminatory basis. Any buyer of Gas will be required to arrange with Transporter for the necessary transportation from the Point of sale. Nothing herein shall impose on Transporter any obligation to provide a supply function to any of its Shippers.

GENERAL TERMS AND CONDITIONS

11. IMBALANCES, PURCHASE AND SALE OF GAS AND ACQUISITION OF OFF-SYSTEM CAPACITY (Contd.)

11.7 ACQUISITION OF OFF-SYSTEM CAPACITY BY TRANSPORTER

- A. Transporter may, from time-to-time, enter into transportation or storage Agreement(s) with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). Transporter may use the Acquired Capacity for its System operational needs and/or to render service to its customers. For purpose of any use of Acquired Capacity covered by this Section 11.7, the "shipper must hold title" requirement is waived.
- B. Transporter states that if it provides service for others using Acquired Capacity, it will apply to such services the same tariff as is applicable to on-System customers, as such tariff may change from time-to-time. Additionally, Shipper may pay Transporter an amount equal to the charges Transporter is obligated to pay such third party(ies) for the Acquired Capacity, as agreed between Transporter and Shipper. Such charges may include, but are not limited to, reservation and/or usage charges and surcharges, Fuel charges, compression fees, balancing or storage fees, measurement fees, processing fees and/or facility charges. Such Charges shall be set forth as separate items, as necessary, on bills rendered by Transporter to Shipper.
- C. Nothing herein shall be read to preclude Transporter from filing with the Commission for different tariff provisions applicable to any such service which Transporter 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 Transporter will be required to seek a case-specific waiver of that requirement from the Commission.

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GENERAL TERMS AND CONDITIONS

12. STATEMENTS, BILLING, PAYMENT, RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS

12.1 STATEMENT AND INVOICES

Transporter 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 12, "render" is defined as postmarked and time-stamped by the United States Postal Service. 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.

12.2 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 Transporter, on or before the tenth (10th) Business Day of each Month.

12.3 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, Transporter shall render the Gas Imbalance statement that details in Dth, the Gas received and delivered each Month at the Receipt and Delivery Point(s), based on the best information available.

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GENERAL TERMS AND CONDITIONS

12. STATEMENTS, BILLING, PAYMENT, RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS  
(Contd.)

12.4 PAYMENT

Shipper shall pay to Transporter at the address indicated on the invoice or, if directed by Transporter, by wire transfer to a bank designated by Transporter, the amount due Transporter 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 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. Transporter shall apply payment per such supporting documentation. If payment differs from the invoiced amount, remittance detail should be provided with the payment. 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, Transporter may, in addition to any other remedy it may have under this Tariff or under commercial law: (a) suspend deliveries as provided in Section 3.8 of these General Terms and Conditions; and (b) offset such deficient payments against any payments, refunds or credits owed by Transporter to Shipper.

12.5 ADJUSTMENT OF ERRORS

A. The time limitation for disputes of allocations shall be six (6) Months from the date of the initial Month-end allocation 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.

GENERAL TERMS AND CONDITIONS

12. STATEMENTS, BILLING, PAYMENT, RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS  
(Contd.)

12.5 ADJUSTMENT OF ERRORS (Contd.)

- B. Prior period adjustment time limits shall be six (6) Months from the date of the initial transportation invoice and seven (7) Months from date of initial sales invoice with a three (3) Month rebuttal period, excluding government-required rate changes. 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.
- C. 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.
- D. 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.

12.6 RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS

A. Rate Discount Order

If and when Transporter discounts the rates and charges applicable for service under any Rate Schedule, the components of the currently applicable Maximum Rate shall be discounted in the following order: The first item of the overall charge discounted will be any surcharge, followed by the base rate charge. Any surcharges will be attributed in accordance with the applicable section of the General Terms and Conditions that provides for the surcharge as established in individual proceedings.

GENERAL TERMS AND CONDITIONS

12. STATEMENTS, BILLING, PAYMENT, RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS  
(Contd.)  
12.6 RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS (Contd.)

B. Types of Discounts

If Transporter agrees to a discounted rate under Transporter's Rate Schedules, the following terms may be agreed to without constituting a material deviation from Transporter's applicable pro forma Service Agreement; provided, however, any such rate or component thereof shall not be less than Transporter's applicable minimum rate, nor greater than Transporter's applicable maximum rate. Such rate may apply:

- (1) to specified quantities under Shipper's Service Agreement(s);
- (2) to quantities above or below a certain level, or all quantities if quantities exceed a certain level;
- (3) in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);
- (4) during specified periods of the Year or over specifically defined periods of time;
- (5) to specified Receipt Points, Delivery Points, Pooling areas, transportation routes, markets or other defined geographical areas;
- (6) to production reserves, Gas supplies or markets committed by Shipper;

GENERAL TERMS AND CONDITIONS

12. STATEMENTS, BILLING, PAYMENT, RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS  
(Contd.)

12.6 RATE DISCOUNT ORDER AND TYPES OF DISCOUNTS (Contd.)

B. Types of Discounts (Contd.)

- (7) if one rate component, which was at or below the applicable maximum rate at the time the discount Agreement was executed, subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed upon 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;
- (8) if the rate is based on published index prices for specified Receipt or Delivery Points or other agreed-upon pricing reference points for price determination, which indices conform to Commission policy and standards. Such discounted rate may be based on 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 in each agreement entered into pursuant hereto, specify the rate component(s) to be discounted and the extent thereof; and (iv) shall not exceed the applicable maximum rate, nor be below the applicable minimum rate; and/or
- (9) to provide for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the maximum rate for a separate service provided under another rate schedule, and any such discount shall specify the rate component to be discounted.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT

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

A. Acceptance of a Shipper's request for service and the continuation of service to a Shipper are contingent upon the Shipper satisfying creditworthiness requirements on an on-going basis. To determine creditworthiness, a credit appraisal shall be performed in accordance with the following criteria:

1. Transporter shall apply consistent evaluation practices to all similarly situated Shippers in determining any Shipper's financial ability to perform the payment obligations due to Transporter over the term of the requested or existing Service 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, Transporter 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, on a Net Present Value basis, is less than 15% of Shipper's tangible net worth. If a Shipper has multiple service agreements with Transporter, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

3. As used in the prior paragraph, the term "tangible net worth" means the excess of assets over liabilities from an accounting standpoint, which is also known as "capital." For example, in the case of a corporation, tangible net worth is represented by the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts, if any. Transporter defines tangible net worth for a corporation as 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 Transporter's assessment of creditworthiness. Tangible net worth is compared with the Net Present Value of a Shipper's obligations to Transporter under its contracts in applying the 15% test in the prior paragraph.
4. If a Shipper does not meet the criteria described above, then such Shipper may request that Transporter evaluate its creditworthiness based upon the level of its current and requested service(s) on Transporter relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Transporter's evaluation of the following information and credit criteria:
  - a. S&P and Moody's opinions, watch alerts, and rating actions and reports, ratings, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

4. (Contd.)

- b. Consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements 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.
- c. Results of bank and trade reference checks and credit reports must demonstrate that Shipper is paying its obligations in a timely manner.
- d. 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 of the Shipper. An exception may be made for a Shipper which is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment.
- e. Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- f. Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its service agreements (excluding amounts as to which there is a good faith dispute).

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

4. (Contd.)

- g. 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 Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- h. 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.
- i. Information which Transporter may request to be provided by Shipper to Transporter in connection with such a credit evaluation includes the following:
  - (i) Audited Financial Statements;
  - (ii) Annual Reports;
  - (iii) Most recent statements filed with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

4. (Contd.)

i. (Contd.)

- (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, any existing sworn filings, 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;

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

4. (Contd.)

i. (Contd.)

- (vii) For any state-regulated utility local distribution company, documentation from its state regulatory commission(s) (or equivalent authority) of an authorized 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;
  - (xiv) Statement of the length of time the business has been in operation; and
  - (xv) Such other information as may be mutually agreed to by the parties.
5. If Transporter concludes that a Shipper is non-creditworthy, Transporter shall provide written notice to Shipper within ten (10) Days after that determination is made. If requested by Shipper, Transporter shall provide a written explanation of the reasons for this determination. A Shipper may challenge this determination by providing a written rebuttal to Transporter's explanation within ten (10) Days after the explanation is provided by Transporter. Transporter shall respond to such a rebuttal in writing within ten (10) Days. Any reevaluation of credit by Transporter in response to such a rebuttal by the Shipper shall be based on the credit criteria set out in this Section.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

6. If Transporter requests additional information to be used for credit evaluation after the initiation of service, Transporter, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response should be sent. Transporter and Shipper may mutually agree to waive this requirement. Upon receipt of either an initial or follow-up request from Transporter for information to be used for creditworthiness evaluation, Shipper's authorized representative(s) shall acknowledge receipt of Transporter's request. Transporter and Shipper may mutually agree to waive the requirements of this standard. Shipper's authorized representative(s) shall respond to Transporter's request for credit information, as allowed by this Tariff, on or before the due date specified in the request. Shipper shall provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. Upon receipt from Shipper of all credit information provided pursuant hereunder, Transporter shall notify Shipper's authorized representative(s) that it has received such information. Transporter and Shipper may mutually agree to waive this requirement. Shipper shall designate up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information, pursuant to the applicable standards and shall provide to Transporter the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses are to be provided via internet e-mail, unless otherwise agreed to by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement on designation of representatives has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

A. (Contd.)

6. (Contd.)

Transporter shall designate, on its Interactive Website or in written notices to Shipper, the internet e-mail addresses of up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Transporter shall manage internal distribution of any such confirmations. In complying with the creditworthiness related notifications pursuant hereto Shipper and Transporter may mutually agree to other forms of communication in lieu of internet e-mail notifications.

- B. 1. If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain or continue service hereunder if it elects one of the following options:
- i. Payment in advance of all fees and charges for three (3) Months' advance service;
  - ii. A standby irrevocable letter of credit covering all fees and charges for three (3) Months' advance service drawn upon a bank acceptable to Transporter;
  - iii. Security interest covering all fees and charges for three (3) Months' advance service in collateral provided by the Shipper found to be satisfactory to Transporter; or
  - iv. Guarantee of all fees and charges for three (3) Months' advance service by a person or another entity which does satisfy the credit appraisal.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

B. (Contd.)

2. Nothing herein shall be read to preclude Transporter from requiring, and enforcing for the term of the initial contracts, more than three (3) Months of fees and charges for advance service as security in agreements supporting an application for a certificate to construct new or expanded facilities. For purposes of this paragraph, the term "initial contract" shall include any replacement contract entered into upon a permanent release of Capacity under an initial contract.

C. Where a Shipper selects the prepayment option under Section 13.1B of these General Terms and Conditions, the prepayment amounts shall be deposited in an interest-bearing escrow account if such an escrow account has been established by the Shipper which meets the criteria set out in this paragraph. The costs of establishing and maintaining the escrow account shall be borne by the Shipper. The escrow bank must be rated at least AA or better and shall not be affiliated with the Shipper. The escrow arrangement shall provide for the prepayment amounts to be applied against the Shipper's obligation under its service agreement(s) with Transporter and shall grant Transporter 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 prepayment required under Section 13.1(b) of these General Terms and Conditions. If Transporter is required to draw down the funds in escrow, it will notify the Shipper and the Shipper must replenish such funds within three (3) Business Days after such notice.

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GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.1 (Contd.)

- D. Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized, nondiscriminatory basis. To the extent that a Shipper's accounts with Transporter do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by Transporter, which reviews may be conducted on at least an annual basis, no new credit appraisals shall be required when an existing Agreement is amended or a request for a new Agreement is made, provided that Shipper's payment history has been satisfactory and there is no bona fide basis for questioning Shipper's creditworthiness, subject to the provisions of Section 3.8 and 13.2 of these General Terms and Conditions.
- E. In the event Transporter constructs new facilities to accommodate a Shipper, Transporter may require from the Shipper security in an amount up to the cost of such facilities. Security hereunder may be in any of the forms available under Section 13.1B of these General Terms and Conditions, at Shipper's choice. Transporter is only permitted to recover the cost of facilities once, either through rates or through this provision. As Transporter recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. 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 provision is in addition to and shall not supersede or replace any other rights that Transporter may have regarding the construction and reimbursement of facilities.
- F. Transporter shall not take any action under this Section 13.1 which conflicts with any order of the U.S. Bankruptcy Court.

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GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.2 DETERIORATION OF CREDIT

- A. 1. If at any time Transporter reasonably determines, based on adequate information available to it, that a Shipper is not creditworthy under Section 13 of these General Terms and Conditions, or if Shipper fails to maintain assurance of future performance under Section 13 of these General Terms and Conditions, Transporter may notify such Shipper in writing (which writing shall set forth the basis for Transporter's decision) that it has five (5) Business Days to provide Transporter with security consistent with Section 13 of these General Terms and Conditions. Such security shall be adequate to cover all charges for one Month's advance service.
2. In addition, within thirty (30) Days after such notification, the Shipper must fully comply with the means for adequate assurance of future performance, covering three (3) full Months of advance service from the end of such 30-Day notice period, as provided under Section 13 of these General Terms and Conditions. If the Shipper has not satisfied the requirements in either of the prior two (2) sentences by the end of the specified notice period, Transporter may immediately suspend service to Shipper. Transporter may terminate service once it has complied with the procedures set forth further in this Section below, including the requisite prior notice.
3. If Transporter does not have sufficient information to determine whether a Shipper is creditworthy, it may request additional information in writing from the Shipper consistent with Section 13 of these General Terms and Conditions, and Shipper must provide such information within five (5) Business Days. If Shipper fails to provide the requested information or if Transporter determines that the Shipper is not creditworthy based on such information, Section 13.2A.1. of these General Terms and Conditions shall apply for suspension of service and Section 13.2D shall apply for termination of service.

GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.2 DETERIORATION OF CREDIT (Contd.)

- B. Any suspension of service hereunder may continue until Transporter is reasonably satisfied that Shipper is creditworthy under Section 13 of these General Terms and Conditions, until Shipper has provided adequate assurance of future performance under that Section 13, or until Transporter terminates service under Section 3.7D below.
  
- C. At any time after a Shipper is determined to be non-creditworthy by Transporter, Shipper may initiate a creditworthiness re-evaluation by Transporter. Such reevaluation shall be performed consistent with this Section 13 of these General Terms and Conditions. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Transporter related to Shipper's creditworthiness. Such update should include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. After Transporter's receipt of Shipper's request for re-evaluation, including all required information specified above, within five (5) Business Days, Transporter shall provide a written response to Shipper's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Shipper's request unless specified in this Tariff or if the parties mutually agree to some later date. If Transporter determines that Shipper is now creditworthy, any security required under Section 13 of these General Terms and Conditions shall be terminated and any prepayment amounts (including any applicable interest) shall be released to Shipper from escrow within five (5) Business Days after such determination.

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GENERAL TERMS AND CONDITIONS

13. EVALUATION OF CREDIT (Contd.)

13.2 DETERIORATION OF CREDIT (Contd.)

- D. In addition to or in lieu of suspension, Transporter may terminate service if the Shipper fails to provide adequate assurance of future performance consistent with this Section 13 of these General Terms and Conditions. Any such termination requires thirty (30) Days' prior notice to Shipper and to the Commission. Such notice may be given simultaneously with the notice provided for under Section 13.1B., above. To avoid termination, the Shipper must satisfy the requirements of Section 13.1B of these General Terms and Conditions within this notice period.
- E. Transporter may not assess reservation charges to a Shipper for suspended service and a Shipper may not release or recall firm Capacity under service which has been suspended.
- F. In addition to any prior notice provided for above, Transporter shall simultaneously notify the Commission in writing of any suspension or termination of service under this Section 13.2.
- G. Transporter may not take any action under this Section 13.2 which conflicts with any order of the U.S. Bankruptcy Court.

13.3 In order to obtain an Agreement under Rate Schedule FTS, a Shipper must sign a consent and agreement, in a form acceptable to Transporter, to pay all charges under the Agreement to the agent designated by Transporter's lenders in the event the Shipper is notified that an event of default has occurred under Transporter's loan agreement.

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GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE

14.1 WEBSITE DESCRIPTION

- A. Transporter maintains a Commission compliant Interactive Website that is available for use by all Shippers and other interested parties. The Interactive Website 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 the information displayed or entered through the Interactive Website is archived, and non-secure information is accessible to customers on a non-discriminatory basis. The data will be kept for a rolling three (3) Year period, inclusive of both current and archived data.

GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)

14.1 WEBSITE DESCRIPTION (Contd.)

- B. The non-secure information is primarily comprised of Commission mandated informational postings. Transporter, in its sole discretion, may add informational sections to the Interactive Website 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. Logon and password information required to enter the secure region of the Interactive Website may be obtained per the procedures outlined in Section 14.2 of the General Terms and Conditions, below.

1. INFORMATIONAL POSTINGS

The types of information available through the Informational Postings portion of the Interactive Website include: (i) all affiliated marketer information including names and addresses for affiliated marketing companies; (ii) reports on operationally available Capacity, design Capacity, unsubscribed Capacity and released Capacity at Receipt/Delivery Points and on the mainline; (iii) notices concerning critical Capacity related issues and non-critical Capacity issues providing relevant contract 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 prior to cashout, as provided in Section 11.3 of these General Terms and Conditions; and (vii) a Point catalogue and Transporter's customer contracts listing.

2. NOMINATIONS

This feature allows for submittal of all transportation Nominations, transfer Nominations, predetermined allocations and Nomination priorities as required in Section 7. Operators can confirm volumes online. Shippers and Point Operator(s) can review, print or download scheduled quantity reports.

GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)

14.1 WEBSITE DESCRIPTION (Contd.)

B. (Contd.)

3. FLOWING GAS/VOLUME INQUIRY

This feature provides volumetric information on total Gas flows and allocated flows, at a Point and contract level. The timing for reporting daily operational allocations after the Gas has flowed is within one (1) Business Day after the end of the Gas 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

This system component allows Shippers to view and download invoices and a statement of account. Additionally, using this component, Shippers can create and submit a Payment Remittance.

5. CONTRACT REQUEST PROCESSING

Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements and execute Service Agreements online.

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 Interactive Website as provided in Section 15. 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 the Transportation Service Provider 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.

GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)

14.2 ACCESS TO WEBSITE

Shippers and other interested parties ("Subscriber(s)") may obtain access to the interactive transactional web pages by contacting a representative of Transporter's Electronic Customer Services Department in Houston. Logons, passwords and access instructions will be supplied upon request under the terms and conditions set forth in Sections 14.3 through 14.12. The Internet address for this Interactive Website is <http://pipeline.kindermorgan.com>. The term "Subscribers" used in Section 14 of these General Terms and Conditions shall mean those Shippers or other interested parties that do obtain access to the interactive transactional web pages according to this Section 14.

14.3 AUTHORITY

Users of the Interactive Website shall be deemed to have agreed and admitted that any employee permitted access by Subscriber shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions that are available presently and those functions that will or may become available at a later date.

14.4 INSTALLATION

Each Subscriber shall purchase and ensure that lawful installation of Internet browser software occurs for each personal computer (PC) from where the Interactive Website is accessed.

14.5 CONFIDENTIALITY

Certain information contained on the Interactive Website is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual, or partnership.

GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)

14.6 RELIANCE BY TRANSPORTER

Transporter 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 the Interactive Website. Transporter may correct errors in information entered into the Interactive Website by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into the Interactive Website.

14.7 ACCESS TO CONFIDENTIAL INFORMATION

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), Transporter 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, Transporter will ensure return of a confidential logon code and password within one (1) Business Day.

14.8 LOGON

A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its Interactive Website 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 the Interactive Website 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 the Interactive Website 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 Transporter 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.

GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)

14.9 BREACH OF SECURITY

A Subscriber shall promptly notify Transporter 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 the Interactive Website by any authorized employee. Such notification shall be made to Transporter's Gas Transportation Services Department.

14.10 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 these General Terms and Conditions for information on delegation.

14.11 INDEMNITY AND LIMITS OF RESPONSIBILITY

Each subscriber shall indemnify Transporter and hold Transporter harmless for all damages, losses and liabilities arising out of:

- A. Subscriber's or its employees' or Agents' breach of any of Subscriber's obligations under this Section 14, including any breach of confidentiality with respect to the assignment of logon(s) and/or password(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/or password(s) through no fault of Transporter;
- B. Any omission or failure by Subscriber's employees or Agents to act or perform any duty required by an Interactive Website function; and

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GENERAL TERMS AND CONDITIONS

14. INTERACTIVE WEBSITE (Contd.)  
14.11 INDEMNITY AND LIMITS OF RESPONSIBILITY (Contd.)

C. Any action taken by Subscriber, its employees or Agents, its former authorized employees and Agents or unauthorized persons who gained knowledge of Subscriber's logon(s) and/or password(s) through no fault of Transporter, which interferes with the proper operation of the Interactive Website.

Transporter shall not be responsible for an omission or failure by Transporter to act or perform any duty requested by a function accessed via the Interactive Website 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 Transporter's computer system, power failures, failure of appropriate backup systems, or any other event beyond the reasonable control of Transporter.

14.12 RESERVATION

Transporter reserves the right to add, modify or terminate the Interactive Website functions at any time subject to compliance with Commission Regulations.

14.13 AGREEMENT

Any Subscriber who is not a Shipper under one of the Rate Schedules contained in this FERC Gas Tariff will be required, as a precondition of access to the Interactive Website, to sign an Agreement with Transporter pursuant to which the Subscriber agrees to be bound by the provisions of this section.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS

15.1 GENERAL

- A. Subject to the terms, conditions and limitations set forth in this Section 15, a Shipper shall have the right to release all or a portion of Capacity held under an eligible firm Transportation Agreement and, if a temporary Capacity release is effectuated under this Section 15, to receive a credit for reservation charge revenues received by Transporter from that other Shipper for such released Capacity.
- B. The deadlines set forth in this Section 15 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 Sub-replacement 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 15:
  - (1) For biddable releases (less than one Year):
    - (i) The offer should be tendered by 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 Best 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 and award is communicated by 2:00 p.m. Central Clock Time;

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.1 GENERAL (Contd.)

C. (Contd.)

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

(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 a new contract number if applicable), Nomination possible beginning at the next available Nomination cycle for the effective date of the contract (Nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has pre-approved credit);

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

(i) The offer should be tendered by 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 (3) 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) Where match required, award posting by 3:00 p.m. Central Clock Time;

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.1 GENERAL (Contd.)

C. (Contd.)

(2) For biddable releases (one Year or more) (Contd.):

(viii) Contract issued within one (1) 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 (Nomination is not contingent on contract being issued or executed so long as the Replacement Shipper has pre-approved credit);

(3) For non-biddable releases (in accordance with NAESB WGQ Standard 5.3.2):

(i) Timely Cycle

(a) Posting of prearranged deals not subject to bid are due by 10:30 a.m.;

(b) Contract issued within one (1) 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;

(ii) Evening Cycle

(a) Posting of prearranged deals not subject to bid are due by 5:00 p.m.;

(b) Contract issued within one (1) 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;

(iii) Intraday 1 Cycle

(a) Posting of prearranged deals not subject to bid are due by 9:00 a.m.;

(b) Contract issued within one (1) 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;

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.1 GENERAL (Contd.)

C. (Contd.)

(3) For non-biddable releases (in accordance with NAESB WGQ Standard 5.3.2) (Contd.)

(iv) Intraday 2 Cycle

(a) Posting of prearranged deals not subject to bid are due by 4:00 p.m.;

(b) Contract issued within one (1) 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;

15.2 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 15.10 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 15.

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.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.2 DEFINITIONS (Contd.)

- E. MINIMUM BID VOLUME  
The minimum amount of Capacity the Qualified Bidder agreed to accept in its Qualified Bid.
- F. ORIGINAL SHIPPER  
The entity that 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 15.15; and (2) the release of such Capacity rights to the Prearranged Shipper as provided by this Section 15.
  - (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 15, 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 15, 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 15.
- H. PREARRANGED SHIPPER  
A person or entity pre-qualified under Section 15.15 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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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.2 DEFINITIONS (Contd.)

I. QUALIFIED BID

A binding bid pre-qualified under Section 15.15 by a Qualified Bidder for Capacity rights subject to a Capacity Release Request under this Section 15.

J. QUALIFIED BIDDER

Any person or entity pre-qualified under Section 15.15 who bids for Capacity rights being released under this Section 15.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.2 DEFINITIONS (Contd.)

K. RELEASED FIRM TRANSPORTATION AGREEMENT

The Agreement between Transporter 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 15.

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 15.

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 15.

N. SHORT-TERM PREARRANGED RELEASE

A Prearranged Release with a term of thirty-one (31) Days or less.

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 15.

P. WINNING BID VALUE

The highest possible total Bid Value achievable under Section 15.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 15.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.3 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 Transporter's Interactive Website (or in writing for posting on Transporter's Interactive Website if Transporter'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 Transporter's PIN of the Receipt Points, Delivery Points, Pooling Point 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 15.5 and 15.14);
- D. The proposed effective date and proposed term of the release;
- E. Whether the Releasing Shipper wants Transporter to actively market the Releasing Shipper's Capacity rights pursuant to Section 16 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 15.7);

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.3 RELEASE WITHOUT A PREARRANGED SHIPPER (Contd.)

- 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 15.10 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. Any other applicable conditions (which must conform to Section 15.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different from the bid evaluation procedure set forth in Section 15.10 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 15.5A.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.4 PREARRANGED RELEASE

Subject to Section 15.6, a Shipper seeking to release its Eligible Firm Transportation Agreement Capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's Interactive Website or via EDI at Transporter'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 facsimile 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 15 by Transporter and to execute a Released Firm Transportation Agreement, which consists of Transporter's standard form of FTS Agreement and the terms and conditions of the Prearranged Release, in accordance with Transporter'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 Transporter's PIN (or Common Code) of the Receipt Points, Delivery Points, Pooling Point defining the released path/segment and the firm Capacity to be released at each such Point;
  - (2) The fixed reservation rate and/or volumetric rate the Prearranged Shipper has agreed to pay for the released Capacity;

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.4 PREARRANGED RELEASE (Contd.)  
B. (Contd.)
- (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 15.5 and 15.14); 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 Transporter to actively market its Capacity rights subject to the Prearranged Release, pursuant to Section 16 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 15.7) and the length of time (consistent with Section 15.9B) 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 15.10 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;

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.4 PREARRANGED RELEASE (Contd.)

- J. Whether the release is a Prearranged Asset Manager Release as defined in Section 15.2G(i) hereof, and the Asset Manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper;
- K. Whether the release is a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 15.2G(ii) hereof; and
- L. Any other applicable conditions (which must conform with Section 15.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different from the bid evaluation procedure set forth in Section 15.10 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 15.5A.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.5 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 Transporter for posting; (3) must relate to the details of acquiring or maintaining the transportation Capacity rights on Transporter's System, consistent with this Tariff and Order No. 712 which are the subject of the release; and (4) must not place any obligations or burdens on Transporter in addition to the terms and conditions applicable to a Capacity release under this Section 15 which are specified in Transporter's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from Transporter's bid evaluation procedure set forth in Sections 15.10B through 15.10D must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on Transporter's Interactive Website. Transporter may require the Releasing Shipper to submit a working computer program to Transporter in diskette form which is compatible with Transporter's Interactive Website computer which will enable Transporter to make such alternative bid evaluation entirely through Transporter'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 15.10B(1) through 15.10B(4) (collectively referred to as "Acceptable Alternative Bid Evaluation Procedure") and the remaining procedures set forth in Sections 15.10C and 15.10D. If the Releasing Shipper elects a bid evaluation procedure that differs from Transporter's bid evaluation procedure or the Acceptable Alternative Bid Evaluation Procedure and the remaining procedures set forth in Sections 15.10C and 15.10D, Transporter shall not be held to the subsequent deadlines set forth in this Section 15, but Transporter shall make a reasonable attempt to adhere to such deadlines. Transporter 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.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.5 CAPACITY RELEASE REQUIREMENTS (Contd.)

- B. The term of any release of Capacity sought under this Section 15 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 Transporter's Tariff.
- D. (1) No Capacity release under this Section 15 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. In the event a path is segmented by a Capacity Release under this Section 15, such segmentation shall be governed by the provisions of Section 7.12 of these General Terms and Conditions.
- (2) The commodity and reservation rates applicable to deliveries to and from newly created path endpoints as a result of a path segment release shall be determined in accordance with the General Terms and Conditions of this Tariff.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.5 CAPACITY RELEASE REQUIREMENTS (Contd.)

D. (Contd.)

- (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 maximum lawful rates applicable to the Eligible Firm Transportation Agreement held by the Original Shipper. If the Original Shipper is paying a Negotiated Rate pursuant to Section 33 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable Recourse Rate or is less than the applicable minimum rate. A qualified Bidder may bid a rate form which would be a Negotiated Rate if and only if the rate form is one explicitly recognized in Transporter's Tariff as available for Capacity releases (such as volumetric rates); provided the resulting charges must be within the range set by the applicable maximum and minimum rates.
- (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 Transporter is notified of the release.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.5 CAPACITY RELEASE REQUIREMENTS (Contd.)

- E. A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the Capacity, and/or to repute 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 Transporter's Tariff, including Section 15.14 of these General Terms and Conditions.
- F.
  - (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 15 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) Offer should be binding until written or electronic notice of withdrawal is received by Transporter.
  - (3) Notice of a withdrawal of a Capacity Release Request must be delivered to Transporter'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 release the Capacity under the provisions of this Section 15 (except as prohibited by the Federal Energy Regulatory Commission Regulations).
- H. Any Capacity Release Request not in compliance with this Section 15.5 and the other provisions of Transporter's Tariff shall be null and void and, even if posted, may be removed from Transporter's Interactive Website by Transporter at any time.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.6 OPEN SEASON EXCEPTIONS

An open season is not required for: (a) a Prearranged Release for more than (1) year at the maximum reservation rate applicable to the Capacity being released, (b) a Short-term Prearranged Release, (c) a Prearranged Asset Manager Release, as defined in Section 15.2G(i) hereof or (d) a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 15.2G(ii) hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 15.4A and B. Such Capacity Release Request must be delivered to Transporter's Interactive Website (or in writing for posting on Transporter's Interactive Website if Transporter's Interactive Website is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 15.9 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 a subsection (b) hereof with the same Replacement or Subreplacement 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 15.3 and 15.4, or the re-release qualifies for any of the other exemptions from bidding, referenced in subsections (a), (c) or (d) hereof.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.7 POSTINGS; OPEN SEASON

- A. A Capacity Release Request received by Transporter 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 15 shall be posted on Transporter's Interactive Website as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identifying information, and 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 charges (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. Transporter shall post the Capacity Release Request upon receipt, unless the Releasing Shipper requests otherwise. If the Releasing Shipper requests a posting time, Transporter will comply with that request as long as it comports with the deadlines set forth in this Section 15.
- 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.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

- A. At any time during an open season, a Qualified Bidder may submit a Qualified Bid to Transporter's Interactive Website (or in writing for posting on Transporter's Interactive Website if Transporter'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 15.15, each Qualified Bid must include the following:
- (1) The Qualified Bidder's legal name, address, phone number, facsimile 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 rate and/or volumetric rate 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 this Section 15. 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

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)
- 15.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS (Contd.)
- A. (Contd.)
- (6) Agreement that the Qualified Bidder is bound by the terms and conditions of the Capacity award by Transporter pursuant to this Section 15 to the Qualified Bidder, including Transporter'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 Transporter'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 Transporter'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 15.4 (involving a Rearranged Release) except for the level of the reservation rate and the MDQ, unless the Capacity Release Request specifically allows otherwise.
- C. For releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed Transporter's maximum reservation rate applicable to the Eligible Firm Transportation Agreement Capacity. If the Original Shipper is paying a Negotiated Rate pursuant to Section 33 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable Recourse Rate. The maximum Qualified Bid reservation rate includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement Capacity.
- D. 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 (1) year from the date on which Transporter is notified of the release.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS (Contd.)

- E. All Qualified Bids shall provide for payment of maximum commodity rates under Transporter's Tariff for the Capacity bid, as well as all other applicable add-on charges and surcharges under Transporter's Tariff, such as, but not limited to, ACA, Fuel and Unaccounted-for Gas.
- F. A Qualified Bid received by Transporter during an open season shall be posted by Transporter on its Interactive Website, 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.
- G. All Qualified Bids must be consistent with all provisions of Transporter's Tariff. Any Qualified Bid inconsistent with Transporter's Tariff or the applicable Capacity Release Request shall be null and void.

15.9 AWARDING OF RELEASED CAPACITY

- A. For a Prearranged Release for which no open season is required under Section 15.6 and which is received at least one (1) hour prior to a Nomination deadline on a Day, Transporter shall award the Capacity to the Prearranged Shipper within one (1) hour after release notification provided that all applicable provisions of this Section 15 have been complied with.

Notwithstanding the foregoing, the Replacement Shipper may nominate under a Pre-arranged release at the first Nomination opportunity after Transporter has received valid notification of the Pre-arranged release. For notification to be considered valid, the offer and confirmation procedures must be completed, whether communication is online or through EDI.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.9 AWARDING OF RELEASED CAPACITY (Contd.)

- 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, Transporter 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 evaluation procedure selected by the Releasing Shipper, Transporter 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 Transporter 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 15.1.
  
- C. For any other Capacity Release Request, the Capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when Transporter has identified the entity(s) to receive the released Capacity under this Section 15.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.9 AWARDING OF RELEASED CAPACITY (Contd.)

- D. A Capacity release shall become effective upon the awarding of Capacity consistent with this Section 15. 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. Transporter 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 Transporter 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 Transporter in order for a Shipper to have continued service beyond the maximum time specified for timely contract execution. If the original 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 original Shipper may incur Overrun Service Charges if his Nomination exceeds the reduced contractual parameters under the original Agreement resulting from the release (i.e., if the original 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 7 of these General Terms and Conditions. Gas Nominations by a Shipper utilizing released Capacity awarded by Transporter shall constitute Shipper's binding acceptance of the terms and conditions of the Capacity award by Transporter pursuant to this Section 15, including Transporter'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 Transporter's Tariff.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.9 AWARDING OF RELEASED CAPACITY (Contd.)

- F. Subject to the other provisions in this Section 15, 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.

15.10 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 15.10B through 15.10H 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. Transporter shall calculate a 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 rate 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 rates 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 rate 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).
  - (3) The Net Present Value figures for the proposed release shall be summed, and such sum shall be the Bid Value.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
 15.10 BID EVALUATION PROCEDURE (Contd.)

- 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 Transporter's Interactive Website (or if Transporter's Interactive Website is not available and the Qualified Bid is submitted in writing, the time Transporter received the Qualified Bid) shall be the winning bid.
- E. The following are examples of how Subsections C and D are applied:

Example (1) - Awarding by Best Bid

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Assume: Capacity Release = 100,000/Day for 5 Years

Qualified Bids:

|         | Maximum Bid<br>Volume | Term    | Bid<br>Price | Minimum<br>Bid Volume |
|---------|-----------------------|---------|--------------|-----------------------|
|         | -----                 | -----   | -----        | -----                 |
| Bid (a) | 40,000/Day            | 5 Years | \$0.18       | 0                     |
| Bid (b) | 40,000/Day            | 5 Years | \$0.17       | 0                     |
| Bid (c) | 40,000/Day            | 5 Years | \$0.15       | 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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GENERAL TERMS AND CONDITIONS

- 15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)
  - 15.10 BID EVALUATION PROCEDURE (Contd.)
    - E. (Contd.)

Example (2) - Awarding with Minimum Bid Volumes  
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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. Bid (c) would not be awarded any Capacity since their 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<br>Volume | Term    | Bid<br>Price | Minimum<br>Bid Volume | Time Bid<br>Received |
|---------|-----------------------|---------|--------------|-----------------------|----------------------|
|         | -----                 | -----   | -----        | -----                 | -----                |
| Bid (a) | 60,000/Day            | 5 Years | \$0.18       | 0                     | 13:57:40             |
| Bid (b) | 50,000/Day            | 5 Years | \$0.17       | 50,000                | 13:55:05             |
| Bid (c) | 35,000/Day            | 5 Years | \$0.17       | 0                     | 13:56:40             |
| Bid (d) | 35,000/Day            | 5 Years | \$0.17       | 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.

- F. In no event shall this Section 15.10 result in winning Qualified Bids with a total volume in excess of the Capacity specified in the Capacity Release Request.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.10 BID EVALUATION PROCEDURE (Contd.)

- G. The bid evaluation procedure set forth in this Section 15.10 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 Transporter's reservation rate shall be evaluated by Transporter based solely on the maximum reservation rate being charged by Transporter 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 15.10, which procedure must comply with Section 15.5, Transporter 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 15.5.A.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.11 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of Capacity under this Section 15 is posted, Transporter 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 Transporter awarding Capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

15.12 COMPLETED TRANSACTIONS

After Capacity has been awarded, Transporter shall post on 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 Transporter of any error in the award of Capacity within one Business Day after such posting on the Interactive Website. In the event of an error, the Capacity shall be re-awarded by Transporter. As between Transporter and the Releasing Shipper, the Releasing Shipper shall indemnify and hold Transporter 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 Transporter by the Releasing Shipper hereunder. Transporter shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

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GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.13 BILLING

- A. Transporter 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 Transporter. Transporter shall not be responsible for billing the Replacement Shipper for any amounts attributable to gas purchase volumes tied to a transportation capacity release. Such charges shall be between the Releasing Shipper and Replacement Shipper. Transporter shall have the right to discount the commodity rates under the Released Firm Transportation Agreement. Transporter will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Federal Energy Regulatory Commission.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.13 BILLING (Contd.)

- 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 Transporter'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 16 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) scheduling charges or cashouts of Imbalances; or (3) add-on charges and surcharges applicable to Transporter's commodity rates under Transporter's Tariff such as ACA or Fuel and Lost and Unaccounted-for Gas, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released Capacity.
  
- C. If a Replacement Shipper or Subreplacement Shipper does not make payment to Transporter of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, Transporter 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 Transporter'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) Transporter's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. Transporter 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.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.13 BILLING (Contd.)

- 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 scheduling charges and cashout amounts, then to late charges not on the reservation charges, and then last to commodity-based charges. 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 Transporter, or a refund if requested in writing and no such outstanding Balance exists.
- E. Pursuant to the provisions of Section 33 of these General Terms and Conditions, Transporter and Releasing Shipper may agree upon payment obligations and credit mechanisms in the event of Capacity releases that vary from or are in addition to those set forth in this Section 15.13.

15.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS

A. Recalling Capacity - General

Transporter 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 Transporter in accordance with the applicable procedures set forth in Section 7 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 Transporter.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTES (Contd.)

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 Transporter and to the first Replacement Shipper no later than 8:00 a.m. on the Day that Timely Nominations are due;

(ii) Transporter 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 Transporter and to the first Replacement Shipper no later than 3:00 p.m. on the Day that Evening Nominations are due;

(ii) Transporter 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) A Releasing Shipper recalling Capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 5:00 p.m. on the Day that Evening Nominations are due;

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.14 NOMINATIONS/SCHEDULING; RECALLS AND REPPTS (Contd.)

B. Recall Nomination Timeline

3. Evening Recall Notification (Contd.)

(ii) Transporter 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);

4. Intra-Day 1 Recall Notification

(i) A Releasing Shipper recalling Capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 7:00 a.m. on the Day that Intra-Day 1 Nominations are due;

(ii) Transporter 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);

5. Intra-Day 2 Recall Notification

(i) A Releasing Shipper recalling Capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 2:30 p.m. on the Day that Intra-Day 2 Nominations are due;

(ii) Transporter 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 Transporter prior to the recall notification deadline specified in 1-5 of this Section 15.14B and received by Transporter between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notifications provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification (Central Clock Time).

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTES (Contd.)

C. Methods of Notification

1. The Replacement Shipper is to provide Transporter with no more than two (2) Internet E-mail addresses to be used for recall notification under Section 15.14B of these General Terms and Conditions. The obligation of Transporter to provide notification is waived until at least on(1) of the addresses has been provided. When Transporter sends Internet E-mail notification for recalling of Capacity to each affected Replacement Shipper, the subject line of the e-mail shall include the following information separated by commas in the following order: (1) "Recall"; (2) the call notification period; (3) the effected date in YYYYMMDD format; (4) Transporter's name or abbreviation (excluding commas); and (5) Transporter's D-U-N-S number. The body of such e-mail notification shall 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 shall be included in the subject line and the effective time of the recall shall be in the body of the e-mail. If Transporter allows Capacity recall notification mechanisms in addition to internet e-mail, the notification shall include at least the same level of information. Affected Replacement Shippers must manage internal distribution of notifications of recall received from Transporter.

2. The Releasing Shipper shall provide Capacity recall notification to Transporter through Transporter's Interactive Website. The Releasing Shipper shall provide notice to its affected Replacement Shipper at the same time it provides notification to Transporter. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the Capacity being recalled. The mode of notification must be mutually agreed upon between the Releasing and the Replacement Shipper.

3. All recalled Capacity notices must indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a Capacity recall.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)  
15.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS (Contd.)

D. Quantity Allocation

In the event of an Intra-Day Capacity recall, Transporter 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 Transporter, the quantity must 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 Shipper(s) must equal the original released Capacity less the recalled Capacity that is adjusted based upon the EPC. Transporter shall not be obligated to deliver in excess of the total daily contract quantity 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 Gas 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, Transporter 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 Transporter harmless from any costs, damages or expenses relating to Transporter's reliance on such notice.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.15 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 13 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 15. A person cannot bid for services which exceed its pre-qualified level of credit-worthiness. Transporter 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 13 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 Transporter as further set forth in Section 13 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.15 QUALIFICATION FOR PARTICIPATION IN THE CAPACITY RELEASE PROGRAM  
(Contd.)

- C. Based on Transporter's continuing review of a Shipper's financial records, Transporter shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.
- D. Transporter's determination of a Shipper's creditworthiness is solely for Transporter's purposes under Transporter'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.

15.16 COMPLIANCE BY SHIPPER

By acquiring released Capacity, a Shipper agrees that it will comply with all provisions of Transporter's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to Transporter for compliance with all applicable terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

15.17 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 Transporter. 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 Transporter 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 reup to the Replacement or Subreplacement Shipper, in accordance with this Section 15.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.17 OBLIGATIONS OF RELEASING SHIPPER (Contd.)

- B. A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 15.
- C. On a non-discriminatory basis, Transporter, in its reasonable discretion, may agree to release the Original Shipper from liability for reservation charges, provided that:
  - (1) the capacity release is permanent and contains no recall or other retention of rights to the capacity by the Original Shipper;
  - (2) adequate and, at minimum, equivalent credit assurances are provided by the Replacement Shipper, consistent with the General Terms and Conditions of Transporter's tariff; and
  - (3) the Replacement Shipper agrees, at minimum, to assume as its obligations, the equivalent or higher applicable reservation rate, contract term, and any other conditions which apply to the Original Shipper's Firm Transportation Service Agreement.

15.18 CONVERSIONS BETWEEN MONTHLY AND DAILY RESERVATION RATES

For less than maximum rate transactions only, converting daily rate to Monthly rate is accomplished by multiplying the daily rate times number of Days in rate period, dividing the result by number of Months in rate period and taking the remainder out to five (5) decimal places and rounding up or down to Transporter'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 Transporter's specified decimal place.

GENERAL TERMS AND CONDITIONS

15. CAPACITY RELEASE BY FIRM SHIPPERS (Contd.)

15.19 TRANSPORTER'S RIGHT TO TERMINATE A CAPACITY RELEASE

A. Transporter may elect to terminate a Replacement Shipper's Agreement with Transporter upon prior written notice to the Replacement Shipper at least equal in duration to the minimum prior notice period which is provided for in Section 3.7 or Section 3.8 of these General Terms and Conditions, for termination of service to the releasing Shipper from which the Replacement Shipper obtained its Capacity, under the following conditions:

- (1) The Releasing Shipper has failed to make timely payment or maintain credit (or provide adequate assurance of payment) in accordance with Section 3.7, Section 3.8 or Section 13 of these General Terms and Conditions and Transporter has suspended or terminated service to the Releasing Shipper or has provided notice under these General Terms and Conditions which ultimately results in suspension or termination of service; and
- (2) The rate stated in the Replacement Shipper's Agreement is less than the rate for service under Transporter's contract with the Original Shipper; provided, however, that a Replacement Shipper which is creditworthy can continue an existing Capacity release by notifying Transporter that it agrees to pay a rate which it specifies that equals or exceeds the lower of: (i) the applicable maximum rate; or (ii) the same rate as is in the original Agreement between Transporter and the Releasing Shipper. Alternatively, notwithstanding Section 15 of these General Terms and Conditions, Transporter and Replacement Shipper may agree upon pricing terms, in which case the release shall continue. Such notification or Agreement must be effectuated prior to the end of the notice period.

16. GENERAL ITEMS

16.1 FEE FOR ACTIVE MARKETING

When a Releasing Shipper under Section 15 of these General Terms and Conditions requests that Transporter actively market Capacity to be released, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged.

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GENERAL TERMS AND CONDITIONS

16. GENERAL ITEMS (Contd.)

16.2 TARIFF CHANGES

- A. The rates, terms, and conditions, for services may require change from time-to-time. Accordingly, Transporter's rates and terms and conditions may be changed by appropriate lawful processes, including the filing of proposed changes with the FERC.
- B. Pursuant to the Commission's Regulations, Transporter shall give Shipper written notice of any filing of Tariff Sheets with the Commission, reflecting any proposed change in such jurisdictional rates and charges. Subject to the terms of any agreement between Transporter and Shipper and subject to any subsequent action or order by the Commission or a court of competent jurisdiction in a situation in which FERC lacks exclusive and primary jurisdiction, Transporter shall be entitled to collect such changed rate from Shipper commencing with the effective date of such change. Subject to the terms of any agreement between Transporter and Shipper and subject to any subsequent action or order by the Commission or a court of competent jurisdiction in a situation in which FERC lacks exclusive and primary jurisdiction, Shipper shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Shipper to contest at any time changes to the charges for the services rendered by Transporter.

16.3 LIMITATION OF SERVICE

After giving Shipper ten (10) Days notice in which to comply, Transporter shall not be required to perform and may suspend service under the Agreement on behalf of any Shipper that fails to comply with any and all of the terms and conditions of the Service Agreement, including the applicable rate schedules and these General Terms and Conditions but excluding the suspension of service for non-payment in Section 12 of these General Terms and Conditions. Transporter may suspend service immediately if Shipper's actions or failure to act threaten the integrity of Transporter's System.

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GENERAL TERMS AND CONDITIONS

16. GENERAL ITEMS (Contd.)

16.4 REMEDIES

- A. No provision of these General Terms and Conditions regarding specific remedies shall bar Transporter from asserting any other remedy it may have at law or in equity.
- B. In the event of a bona fide dispute between the Parties with respect to any invoices, Transporter shall have the right to discontinue the transportation of Gas beginning 30 Days after the issuance of a final nonappealable decision by the Commission or a court of competent jurisdiction in favor of Transporter, if Shipper has failed to remedy or correct such violation within said 30-Day period.

16.5 ODORIZATION

Transporter shall not have obligation whatsoever to odorize the Gas delivered, or to maintain odorant levels in such Gas.

16.6 POOLING POINTS

If requested by a Shipper or supplier on Transporter's System, Transporter shall provide one or more pools for purposes of facilitating the aggregation and dis-aggregation of Gas received onto its System. The process of aggregating and disaggregating Gas receipts shall be deemed pooling. Deliveries from Receipt Points can be delivered directly into one pool and Delivery Points can receive quantities from at least one pool, excluding non-contiguous facilities. Transactions at pooling points shall not be consolidated for billing purposes.

GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL

17.1 OBTAINING FIRM CAPACITY

- A. Notice of Available Firm Capacity. Transporter will continuously post the availability of Capacity on the Informational Postings portion of its Interactive Website, pursuant to Section 284.8(b)(3) of the Commission's Regulations.
- B. Qualifications for Bidding. Any party wishing to become a Shipper must comply with the requirements of Section 13 of the General Terms and Conditions of this Tariff prior to submitting a bid for Capacity.
- C. Bidding for Firm Capacity. A Party desiring to obtain firm Capacity from Transporter (by prearrangement or by bidding in an open season posted for competitive bidding) must submit a request for the service by facsimile or electronic mail. Parties are free to offer any price, designate any term, and request any available Receipt and/or Delivery Points.
- D. Requests for Discounts. Transporter is not obligated to accept any request or bid that is for less than the maximum rate as stated in the Statement of Rates set forth in this Tariff.
- E. Notice of Prearranged Capacity. Transporter may pre-arrange with any party for the sale of its posted available firm Capacity. Transporter will post the pre-arranged transaction on the Interactive Website for a period of three (3) Business Days (Bid Period). Other parties may submit competing bids for the Capacity pre-arranged by Transporter during the Bid Period. All bids shall be evaluated according to the terms and the NPV method set forth in Section 15 of the General Terms and Conditions of this Tariff. If no higher offer is received during the Bid Period, the pre-arranged party shall receive the Capacity. If a higher offer is received, the pre-arranged party will be permitted to match the offer and receive the Capacity from Transporter. If the pre-arranged party does not elect to match the highest offer, the party making the highest offer will be awarded the Capacity.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.1 OBTAINING FIRM CAPACITY (Contd.)

- F. From time-to-time, Transporter may post an open season for the purposes of obtaining competitive bids of specific Firm Capacity (e.g., expiring, non-ROFR, relinquished, or new Capacity). Such open season shall be maintained and bids accepted for a period of at least three (3) Business Days.
- G. An open season posting shall constitute an announcement of Capacity availability (Capacity Announcement) and shall include at least the following information:
  - 1. MDQ stated in Dth/Day;
  - 2. Receipt and Delivery Points at which Capacity is available and the firm quantities at such points;
  - 3. Effective date;
  - 4. Term;
  - 5. Applicable rates for the service;
  - 6. Minimum conditions;
  - 7. The criteria by which bids are to be evaluated; and
  - 8. Whether the Capacity is subject to right of first refusal.
- H. Awarding of Capacity. Transporter's Capacity shall be awarded in accordance with the terms and the NPV evaluation method provided for in Section 15 of the General Terms and Conditions of this Tariff.
- I. Non-acceptable bids or no bids received. If no bids, or no acceptable bids are received during an open season, Transporter may sell the Capacity to any Shipper without instigating a new bidding process.
- J. Short-term contracts. Where a Capacity bid results in a contract term of one Month or less, Transporter may re-sell the Capacity at the end of the contract term without instigating a new bidding process.
- K. Transporter shall not be obligated to sell firm Capacity for a term of less than one Month.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.2 ROLLOVERS

A Shipper under any Firm Transportation Service which has entered into an Agreement thereunder with a term of three (3) Years or longer shall have a right to continue receiving service on a firm basis beyond the term of the existing Agreement and to rollover such Agreement for a three-Year or greater term, subject to the following conditions:

- A. Shipper must give Transporter written notice that it will utilize the rollover procedure the earlier of (a) the date of the notice period provided for in Shipper's contract; or (b) three-hundred sixty five (365) Days prior to the expiration of the term of the contract. Such notice shall be binding on the Shipper. Any request for an increase in MDQ in total or at any Primary Point shall be treated as a request for new service, but only to the extent of the increase. Any notice hereunder specifying a decrease in MDQ in total or at any Primary Point shall not affect the existing Agreement during the remainder of its term.
- B. Within thirty (30) Days after receipt of the notice described in 17.2A, above, Transporter will evaluate the creditworthiness of Shipper. If Shipper meets the requirements of Transporter's credit appraisal procedures, Transporter shall tender to Shipper an amended Service Agreement consistent with the requirements of this Tariff. Any Agreement amended pursuant to this Section 17.2 is expressly subject to agreement between Transporter and Shipper as to the applicable rate(s) during the extended term under the rollover. No discount or Negotiated Rates applicable to the existing Service Agreement shall apply during the rollover term of a Service Agreement pursuant to this rollover provision, unless agreed to by Transporter. Shipper and Transporter shall execute such Service Agreement within ten (10) Days after Transporter tenders such amended Service Agreement to Shipper.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.2 ROLLOVERS (Contd.)

- C. If Shipper and Transporter agree to rollover a Service Agreement pursuant to this Section 17.2, the Right of First Refusal procedure under Section 17.3 shall not be necessary. Should Shipper secure a Right of First Refusal in an amended Service Agreement that resulted from a rollover, Shipper shall retain full rights to utilize such Right of First Refusal as it may apply during the term of the amended Service Agreement.
  
- D. Foundation Shippers (defined as those Shippers which were awarded Capacity of 500,000 Dth/Day or greater of MDQ, or identified as such in the Rockies Express 2006 certificate application) and Anchor Shippers (defined as those Shippers which were awarded Capacity of at least 200,000 Dth/Day of MDQ and up to 499,999 Dth/Day of MDQ, or identified as such in the Rockies Express 2006 certificate application) shall hold annual rollover rights, renewable for a one Year term, to be effective after expiration of the initial term and each subsequent term of the Foundation Shipper's or Anchor Shipper's Service Agreement, which shall be applicable at the same rate and quantity (or any portion of the quantity) as set forth in the then-effective Service Agreement. A Foundation Shipper or Anchor Shipper shall provide notice to Transporter of its intent to extend the term of its Service Agreement no later than six (6) Months prior to expiration of the initial term and each subsequent term of its Service Agreement.

17.3 RIGHT OF FIRST REFUSAL

- A. Upon expiration or notice of termination from Transporter of a firm service agreement with a term of twelve (12) consecutive Months or greater at the maximum tariff rate, or multi-Year seasonal maximum rate contracts for services not offered for a full twelve (12) Months, Shipper shall have a Right Of First Refusal (ROFR) to extend service under a new service agreement, provided Shipper satisfies the credit requirements under Section 13 of these General Terms and Conditions. A Shipper paying a discounted rate or a Negotiated Rate will not have the Right of First Refusal, unless otherwise expressly agreed to in writing by Transporter. The ROFR will not be applicable to interim service agreements for entitlement association with:

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.3 RIGHT OF FIRST REFUSAL (Contd.)

A. (Contd.)

1. expansion projects as set forth in Section 2 of these General Terms and Conditions; and
2. Capacity that is already under contract for a future period subject to the following conditions:
  - a. the future Capacity must have been sold through an open season bidding process permitting bids for Capacity for service to start immediately or anytime in the future; and
  - b. the bids must have been evaluated and awarded on a Net Present Value basis.

B. To exercise the Right of First Refusal, Shipper must provide Transporter with notice via the Interactive Website of its intent to do so in a form specified by Transporter and must submit such notice at least one (1) year prior to the expiration of the existing Service Agreement, unless a Service Agreement is only one (1) year in length, in which case the notice period shall be not less than six (6) months. Transporter and Shipper may mutually agree to a notice period greater than that specified in the preceding sentence.. Shipper's notice of intent to proceed under the Right of First Refusal must specify a desired term of service and the desired MDQ in total and the desired MDRQ or MDDQ, as applicable, at each Receipt and Delivery Point. If the requested MDQ is greater than the existing MDQ in total or above the existing MDRQ or MDDQ at each 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 MDQ, MDRQ and MDDQ shall be subject to the Right of First Refusal under this section. The Right of First Refusal may apply to a portion of the original Shipper's then effective service. Any notice specifying a decrease in MDQ in total or at any Point shall not affect the existing Agreement during its remaining term.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL (Contd.)
- 17.3 RIGHT OF FIRST REFUSAL (Contd.)
- C. Within fifteen (15) Days after receipt of a notice from Shipper under Section 17.3B, Transporter shall post via the Interactive Website a Capacity Announcement containing information consistent with Section 17.1G of these General Terms and Conditions. Such Capacity Announcement shall be maintained, and bids accepted via the Interactive Website, for a period of at least three (3) Days, but no more than one (1) Month from the initial posting.
  - D. Capacity will be made available on a nondiscriminatory basis and will be assigned on the basis of a Bid Period determined pursuant to the open season or Capacity Announcement provisions provided for in Section 17.1 of these General Terms and Conditions.
    - 1. A Shipper desiring to acquire the available Capacity shall place a bid with Transporter by facsimile or other electronic means, during the bidding period. The bid shall be binding once received by Transporter and may not be withdrawn by the bidding Shipper.
    - 2. The bidding Shipper's bid must include all information required by Section 13 of these General Terms and Conditions.
  - E. Transporter shall determine the value of bids pursuant to the NPV method set forth in Section 15.10 of these General Terms and Conditions. Transporter shall not be obligated to accept any bid for the Capacity at less than the maximum applicable tariff rate or for a term greater than twenty (20) Years. Upon acceptance of a bid, Transporter shall inform the Existing Shipper of the terms of the bid to permit the Existing Shipper to exercise its Right of First Refusal.

GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.3 RIGHT OF FIRST REFUSAL (Contd.)

- F. The Existing Shipper shall have the option to execute a service agreement which matches the bid constituting the highest economic unit value to Transporter, as determined pursuant to Section 15.10 of these General Terms and Conditions. Transporter will notify the Existing Shipper within five (5) business Days of the best offer it must match by tendering to such Shipper a Service Agreement. The Service Agreement must be executed by the Existing Shipper within fifteen (15) Days of Transporter's tender thereof. Transporter is not required to accept an offer at less than the maximum rate.
- G. Where there are no bids or no acceptable bids for the Capacity and the Existing Shipper agrees to pay the maximum rate, service may be contracted for any term the Existing Shipper chooses. Transporter shall notify the Existing Shipper within five (5) Business Days that no bids or no acceptable bids were received. Upon such notice, the Existing Shipper shall have fifteen (15) Days (or such extended period as may be mutually agreed between Transporter and Shipper) to notify Transporter in writing that it intends to exercise its option to continue receiving service at the maximum rate. Such notice shall be binding and shall include the extended term chosen by the Existing Shipper for which it is willing to pay the maximum rate. If the Existing Shipper fails to so notify Transporter within the above-prescribed timeframe, the Right of First Refusal shall expire. If the capacity is not renewed at maximum rate, for a thirty-Day period after the expiration of the Existing Shipper's ROFR right, Transporter may only renew the Existing Shipper's Agreement at a value that exceeds the Best Bid rejected by Transporter during the ROFR process. Transporter is not required to accept an offer at less than the maximum rate.
- H. Any Shipper that acquires available Capacity according to the Rollover or ROFR processes of this Section 17 will not be required to repeat the bidding procedures outlined in Section 17.1 of these General Terms and Conditions.
- I. Any Agreement entered into pursuant to this Section 17 shall be evaluated on a stand-alone basis hereunder for purposes of determining whether it, in turn, is eligible for the Right of First Refusal under this Section 17.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.3 RIGHT OF FIRST REFUSAL (Contd.)

J. Each Foundation Shipper and each Anchor Shipper shall be afforded a one-time ROFR to be effective after expiration of the initial term of its Service Agreement(s), which shall be applicable to any portion of the quantity (but not at the same rate) set forth in the initial Service Agreement. A Foundation Shipper or Anchor Shipper shall provide notice to Transporter prior to the end of the initial term of the applicable Service Agreement of its intent to exercise this one-time ROFR, consistent with the notice provisions set forth herein. Nothing in this Section 17.3J. shall be construed to limit the rollover rights of any Foundation Shipper or Anchor Shipper, as set forth under Section 17.2D. of these General Terms and Conditions.

17.4 RIGHTS OF FOUNDATION SHIPPERS AND ANCHOR SHIPPERS ON ASSIGNMENT OR CAPACITY RELEASE

A. A Foundation Shipper or Anchor Shipper shall retain its status as a Foundation Shipper or Anchor Shipper, and its attendant rights to the Foundation Shipper or Anchor Shipper rate, the rollover rights in Section 17.2D and the one-time ROFR in Section 17.3J., even if its Capacity drops below the 500,000 Dth/Day or 200,000 Dth/Day thresholds, respectively, pursuant to an assignment of a Firm Transportation Service Agreement, permitted by this Tariff or pursuant to a permanent Capacity Release governed by this Tariff.

B. A Foundation Shipper or Anchor Shipper may transfer its Foundation Shipper or Anchor Shipper status only in the limited circumstance where all of its Firm Transportation Service Agreements are permanently assigned or released, as applicable, pursuant to the provisions of this Tariff, at the same time to a single successor Shipper. With respect to rate, this means that Transporter shall deem the Foundation Shipper or Anchor Shipper Negotiated reservation rate acceptable for purposes of the Foundation Shipper or Anchor Shipper's assignment or permanent Capacity Release, subject to any bidding requirements that apply under Section 15 of these General Terms and Conditions. No such limitations apply to the transfer of the Foundation Shipper or Anchor Shipper Negotiated reservation rate in temporary Capacity Release.

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GENERAL TERMS AND CONDITIONS

17. OBTAINING FIRM CAPACITY, CONTRACT ROLLOVERS AND RIGHT OF FIRST REFUSAL  
(Contd.)

17.5 FAVORED NATIONS RIGHTS OF FOUNDATION SHIPPERS AND ANCHOR SHIPPERS

- A. An Anchor Shipper's Negotiated reservation rate applicable to the Capacity awarded prior to the Rockies Express 2006 expansion certificate application shall be no higher than the lowest Negotiated reservation rate applicable to any other Shipper under a Firm Transportation Service Agreement covering the same rate zones and/or facilities, excluding Negotiated reservation rates applicable to Foundation Shippers and rates applicable to short-term transactions (i.e., twelve or fewer consecutive Months) or seasonal transactions.
- B. A Foundation Shipper's Negotiated reservation rate applicable to the Capacity awarded prior to the Rockies Express 2006 expansion certificate application shall be the lowest Negotiated reservation rate contained in any Firm Transportation Service Agreement applicable to the same rate zones and/or facilities, excluding rates applicable to short-term transactions (i.e., twelve or fewer consecutive Months) or seasonal transactions.
- C. Foundation Shippers and Anchor Shippers shall pay any applicable Commodity or Surcharge rates, and such rates shall be equal to or lower than those afforded any other Shipper.

GENERAL TERMS AND CONDITIONS

18. MEASUREMENT

18.1 MEASUREMENT STANDARDS

All meters (including Ultrasonic, orifice, turbine, rotary and diaphragm type) shall be installed in accordance with the following standards, where applicable:

- A. Measurement of Gas by Multipath Ultrasonic Meters - AGA 9
- B. Orifice Metering of Natural Gas - Specifications and Installation Requirements - AGA 3; Part 2
- C. Orifice Metering of Natural Gas - Natural Gas Applications - AGA 3; Part 3
- D. Measurement of Gas by Turbine Meters - AGA 7
- E. Compressibility and Super compressibility for Natural Gas and other Hydrocarbon Gases - AGA 8
- F. Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas - GPA 2145
- G. Flow Measurement Using Electronic Metering Systems - Section 1 Electronic Gas Measurement - API 21.1

18.2 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 F.), and without adjustment for water vapor except as described in Section 18.5.

18.3 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 may be measured directly, using an absolute pressure measuring device or a gage pressure corrected to absolute for continuous input to the electronic computer.

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GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.4 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.

18.5 DETERMINATION OF GAS COMPOSITION, TOTAL HEATING VALUE AND SPECIFIC GRAVITY

A. Total Heating Value shall be the number of Btus per cubic foot 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.

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GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.5 DETERMINATION OF GAS COMPOSITION, TOTAL HEATING VALUE AND SPECIFIC GRAVITY (Contd.)

- B. The Gas Composition, Total Heating Value and specific gravity of the Gas may be determined by spot samples, continuous samples, or a recording chromatograph. In the event a continuous Gas sampling device is used, intervals mutually agreed upon should not be less than once every Month. For conventional chart measurement, the arithmetical average of the Gas composition, hourly heating value and specific gravity recorded during periods of flow each Day by a recording chromatograph, if installed, shall be considered as the Total Heating Value and specific gravity of the Gas delivered during each Day. In the event electronic computer measurement is used, the determination of Total Heating Value and specific gravity from a chromatograph shall input continuously into the computer for volume calculations. In the event a continuous or spot Gas sampler is installed, then the Total Heating Value and specific gravity shall be determined in the laboratory by chromatograph and/or running a portion of test sample through a calorimeter and gravitometer. Such determinations shall be considered as the Total Heating Value and specific gravity of all Gas delivered. All Total Heating Value and specific gravity determinations made with a chromatograph shall use physical Gas constants for Gas compounds as outlined in GPA Std. 2145-00, Rev 1 Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas, with any subsequent amendments or revisions which Transporter may adopt in exercise of its reasonable judgment. The calculations (for Btu) shall be based on dry Gas if the Gas at the measurement Points contains less than six (6) pounds of water per MMcf. If the Gas at the measurement Points contains more than six (6) pounds of water per MMcf, the Btu value shall be corrected for the actual water vapor of the flowing Gas based upon actual flowing conditions.

18.6 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 applicable meter standards set forth in Section 18.1 of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.7 MEASURING EQUIPMENT

Unless otherwise agreed upon, Transporter 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. Shipper may install check measuring equipment at its own cost and expense; provided such equipment shall be so installed as not to interfere with the operations of Transporter. Transporter and Shipper, in the presence of each other, shall have access to the other's measuring equipment at all reasonable times but the reading, calibrating and adjusting of electronic computer components and/or mechanical recording instruments thereof and the changing of charts shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon. Both Transporter and Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either Transporter or Shipper to witness such an operation shall not affect the validity of such operation in any way. The records from such measuring equipment shall remain the property of its owner, but upon request, each will submit within ten (10) Days to the other its records and charts, together with calculations therefrom, for inspection, subject to return within thirty (30) Days after receipt thereof. The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided herein, shall not be used in the measurement of Gas for purposes hereof.

18.8 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 without the use of charts. Where the substitution of these devices is deemed acceptable by Transporter in the exercise of its reasonable judgment, their use for custody transfer will be permitted.

GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.9 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 Transporter in exercise of its reasonable judgment. Transporter shall promptly inform all Shippers of any new techniques adopted.

18.10 CALIBRATION AND TEST OF METERS

The accuracy of all measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representatives of Shipper, but neither Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. 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.

18.11 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 12.5 of these General Terms and Conditions, 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 the 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.

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GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.12 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;
- B. By using the registration of any check meter or meters, if installed and accurately registering, or in the absence of both A and B, then;
- C. By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

GENERAL TERMS AND CONDITIONS

18. MEASUREMENT (Contd.)

18.13 PRESERVATION OF RECORDS

Shipper and Transporter 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.

18.14 THE SEQUENCE OF GAS RECEIPT

All Gas delivered to Transporter by any Shipper under Rate Schedule FTS shall be deemed to have been received by Transporter prior to the receipt of any Gas delivered under Rate Schedule ITS.

19. PRESSURE AND DELIVERY CONDITIONS

19.1 RECEIPT POINT PRESSURE

Shipper shall deliver Gas to Transporter at the pressure prevailing in Transporter's System at the Receipt Point, as such pressure may vary from time-to-time. For Deliveries into Transporter's mainline Meeker Compressor Station, Shipper shall not be required to deliver Gas to Transporter at a pressure greater than 1280 psig.

19.2 DELIVERY POINT PRESSURE

Transporter shall deliver Gas to Shipper at the Delivery Point at the pressure available in Transporter's pipeline at such point, subject to operational conditions allowing for agreement by Transporter to alternate minimum or maximum pressures.

20. QUALITY OF GAS

All natural Gas received by Transporter shall conform to the following specifications:

20.1 HEAT CONTENT

The Gas delivered at each Receipt and Delivery Point shall contain a Gross Heating Value of not less than nine hundred fifty (950) Btus per cubic foot nor more than 1150 Btu per cubic foot.

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GENERAL TERMS AND CONDITIONS

20. QUALITY OF GAS (Contd.)  
20.2 FREEDOM FROM OBJECTIONABLE MATTER.

Except as provided in Section 20.4 below, the Gas which Transporter delivers to Shipper and the Gas which Shipper delivers to Transporter for transport shall comply with the following requirements:

- A. Shall be commercially free from dust, gums, gum-forming constituents, dirt, impurities or other solid or liquid matter that might cause injury to or interference with proper operation of the pipelines, regulators, meters, or other equipment of Transporter;
- B. Shall not contain more than 0.25 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;
- C. Shall not contain more than five (5) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet;
- D. Shall not at any time have an oxygen content in excess of ten parts per million (10 ppm) by volume, and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen;
- E. Shall be delivered at a temperature not in excess of one hundred twenty degrees Fahrenheit (120°F) or less than twenty degrees Fahrenheit (20°F);
- F. Shall not contain water vapor in excess of six (6) pounds per million cubic feet of Gas from any individual receipt point on an absolute basis;
- G. Shall have a cricondenthem hydrocarbon dew point of no more than: (i) fifteen degrees Fahrenheit (15°F) for gas delivered through the Overthrust Lease Facilities, unless a higher cricondenthem hydrocarbon dew point limit is posted by Transporter to correspond with any applicable higher limit posted by the operator of the Overthrust Lease Facilities; or (ii) twenty degrees Fahrenheit (20°F) for gas delivered through any other portion of Transporter's system; and
- H. Shall not contain inert substances (carbon dioxide, nitrogen, helium, oxygen or any other diluent compound) of more than three percent (3%) by volume of which not more than two percent (2%) by volume shall be carbon dioxide.

GENERAL TERMS AND CONDITIONS

20. QUALITY OF GAS (Contd.)

20.3 TOXIC AND HAZARDOUS SUBSTANCES

Shipper agrees to supply or cause its designee to supply to Transporter 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 Transporter's choosing. If at any time PCBs or any other toxic substances or chemicals that Transporter deems hazardous and/or in any way unsafe for transportation are found in the liquid samples supplied to Transporter by Shipper, Transporter 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 Transporter, Transporter shall restore service to Shipper at the affected Receipt Point.

20.4 ACCEPTANCE OF NON-CONFORMING GAS

A. Waiver of Quality Specifications. Transporter, in its reasonable discretion and judgment, may waive, on a non-discriminatory basis, the Gas quality specifications at any receipt point to accept Gas that does not conform to the quality specifications set forth in this section, if Transporter determines that such acceptance will not interfere with Transporter's ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline System, (2) ensure that such Gas does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such Gas does not adversely affect Transporter's ability to tender Gas for delivery to a downstream pipeline or end-user.

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GENERAL TERMS AND CONDITIONS

20. QUALITY OF GAS (Contd.)

20.4 ACCEPTANCE OF NON-CONFORMING GAS (Contd.)

- B. Shipper may deliver Gas at one or more receipt point(s) that exceeds the above specifications for carbon dioxide, water content, total inerts and cricondenthem hydrocarbon dew point; provided, however, that Shipper causes the Gas delivered at all of its Receipt Point(s) on a blended basis to meet or be less than the applicable specification for all Gas delivered by Shipper to Transporter.
- C. Transporter shall optimize the blending capability of the system, to the extent operationally feasible, to accommodate the Gas of Shippers who have Firm Service Agreements. Transporter shall address the request of such Shippers, on a first-through-the-meter basis, for purposes of determining the acceptability of any Gas which does not otherwise meet, on a stand-alone or on a blended basis, the gas quality provisions of this Tariff.

20.5 Shipper's Failure to Meet Specifications.

Should any Gas tendered by Shipper to Transporter hereunder fail at any time to conform to any of the specifications of this section, Transporter shall notify the responsible Shipper of any such failure, and Transporter may suspend all or a portion of the receipt of any such Gas which may jeopardize Transporter's ability to meet its obligations to its other Shippers or endanger the safe operation and integrity of Transporter's System. Transporter shall be relieved of its obligations hereunder to the extent of rightful suspension for the duration of such time as such off-specification Gas tendered by such Shipper does not meet the specifications; provided, however, such suspension by Transporter shall not relieve Shipper of its payment obligations hereunder. Upon receipt of notice by Transporter, Shipper shall, at its expense, make a diligent effort to correct such failure by treatment, cooling, or dehydration consistent with prudent operation so as to tender Gas conforming to the above specifications.

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GENERAL TERMS AND CONDITIONS

20. QUALITY OF GAS (Contd.)

20.6 Transporter reserves the right to retain gasoline or any other substance whatsoever derived from the normal operations of its system. Title to such recovered products shall pass to the Company at no cost, and Shipper shall hold Transporter harmless and free and clear of adverse claims with respect to the same.

In the event Transporter or a third party installs processing on Transporter's system, Transporter shall hold harmless its Shippers by not including any volumes of system processing plant shrinkage in its fuel tracking mechanism, which is defined in Section 38 of these General Terms and Conditions.

20.7 A. If Transporter notifies any party that the party's Gas does not conform to this Tariff's Gas quality specifications and will not be accepted on Transporter's System, and the Party thereafter delivers non-conforming Gas into Transporter's System, such Gas will be considered Unauthorized Gas (not scheduled and confirmed), subject to the Unauthorized Overrun Service Charges of the applicable rate schedule of this Tariff, and will become the property of Transporter. Transporter shall have no obligation to redeliver such Gas to or for the account of the Party who owned the Gas.

B. In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.

20.8 Commingling. Gas delivered by Shipper will be commingled with the Gas of other Shippers in the System. Accordingly, Shipper's Gas shall be subject to such changes in Gross Heating Value and other specifications as may result from such commingling.

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GENERAL TERMS AND CONDITIONS

21. FORCE MAJEURE

21.1 EFFECT OF FORCE MAJEURE

In the event of either Transporter 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, other than the obligation to make payments thereunder, except as provided in Section 7.14 of these General Terms and Conditions, 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.

21.2 DEFINITION OF FORCE MAJEURE

- A. The term "Force Majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, acts of terror, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the making of repairs, alterations or replacements, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome.
- B. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. Such causes or contingencies affecting the performance by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability otherwise unless such party shall give notice and full particulars of the same in writing or by electronic means to the other party as soon as possible after the occurrence relied on.

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GENERAL TERMS AND CONDITIONS

22. POSSESSION OF GAS, TITLE AND RESPONSIBILITY

Shipper warrants that it will at the time of delivery to Transporter have good title to all Gas so delivered free and clear of all liens, encumbrances and claims whatsoever. As between Shipper and Transporter, Shipper shall be deemed to be in control and possession of the Gas and responsible for and hold Transporter harmless of and from any damage or injury caused thereby until it shall have been delivered to Transporter at the Receipt Point(s), after which Transporter 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 Transporter shall be responsible therefor and hold Shipper harmless of and from any damage or injury caused thereby. Transporter 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 Transporter. Shipper shall have no responsibility with respect to said Gas after its receipt by Transporter 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 Transporter and Shipper, or their respective Agents, at the Receipt or Delivery Point(s), as applicable. Shipper will indemnify Transporter and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons or parties to said Gas including claims for royalties, taxes, license fees or charges applicable to such Gas or to the delivery thereof to Transporter. The foregoing provisions of this section shall not relieve either party from responsibility for acts of negligence or misfeasance of such party, its Agents or employees.

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GENERAL TERMS AND CONDITIONS

23. NOTIFICATION

23.1 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, facsimile or Electronic Notice Delivery consistent with NAESB Standards as adopted in Section 32 of these General Terms and Conditions. Such delivery shall: (a) be sent to Transporter at the address specified in the Agreement, or through such electronic means as are available and authorized by Transporter, or at an address otherwise stated in a notice by Transporter to Shipper; and (b) be sent to Shipper at the address in the Agreement pursuant to the Rate Schedule, through Electronic Notice Delivery or at an address otherwise stated in a notice by Shipper to Transporter.

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GENERAL TERMS AND CONDITIONS

23. NOTIFICATION (Contd.)

23.2 NOTIFICATION PROCEDURES

A. PRICING

- (1) The availability and pricing of services on Transporter's System is governed by this Tariff. From time-to-time, Transporter changes or updates its Tariff by filings with the FERC.
- (2) Telephone inquiries related to the availability or pricing of services are answered by representatives of Transporter and upon request, potential Shippers may be provided copies of Transporter's Tariff filings.
- (3) Shippers desiring a rate under any Agreement other than the maximum rate on file with the Commission are required to submit such requests in writing or by electronic medium to Transporter's Commercial Operations Department. Any lower rate agreed to by Transporter is evidenced in writing to such Shipper, and such rate is considered confidential until it is reported to the Commission as required by the Regulations. In order to attract or determine interest in the use of any particular service, representatives of Transporter may 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 Transporter's Interactive Website which is described in Section 14 of these General Terms and Conditions.
- (2) Capacity available for interruptible service is communicated to requestors of that service under the provisions of the applicable interruptible rate schedule. The general availability of interruptible Capacity is also communicated by Transporter's Interactive Website, which is described in Section 14 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

23. NOTIFICATION (Contd.)  
23.2 NOTIFICATION PROCEDURES (Contd.)  
B. CAPACITY (Contd.)

- (3) When available Capacity is affected by construction projects or unforeseen conditions, Transporter communicates such information primarily via the Interactive Website to its Shippers. Transporter may also use letters or telephone calls to communicate Capacity information when such means are appropriate.

24. FACILITIES/OBLIGATION TO CARRY OUT AGREEMENT/FILINGS

24.1 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 Transporter and Shipper or the operator of a Point. To the extent that Shipper builds facilities to interconnect with Transporter'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 Transporter. Ownership of any such facilities shall be subject to individual negotiation between Transporter and third party.

24.2 OBLIGATIONS TO CARRY OUT AGREEMENT

Other provisions of an Agreement notwithstanding, Transporter 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 Transporter thereunder have been received; and (c) Transporter has, in its reasonable discretion, determined that such service is authorized under all applicable Regulations.

GENERAL TERMS AND CONDITIONS

24. FACILITIES/OBLIGATION TO CARRY OUT AGREEMENT/FILINGS (Contd.)

24.3 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.

25. INDEMNIFICATION

25.1 GENERAL

Shipper will indemnify and hold Transporter 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. Transporter 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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GENERAL TERMS AND CONDITIONS

25. INDEMNIFICATION (Contd.)

25.2 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. Shipper will indemnify Transporter and hold Transporter harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings arising from its breach of this warranty. Shipper further agrees to indemnify Transporter and save Transporter harmless from any claims asserted by any person because of conduct which is consistent with the applicable Rate Schedule and these General Terms and Conditions. Shipper, however, shall have no obligation to indemnify Transporter for the results of any intentional or unintentional acts by Transporter that contravene the applicable Rate Schedule or these General Terms and Conditions.

26. SUCCESSORS AND ASSIGNS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Transporter shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Agreement; provided, however, that Transporter 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 or any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter, which consent shall not be withheld unreasonably. Shipper or Transporter may pledge or assign their respective right, title and interest in and to and under the Agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under the Agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the Agreement may occur.

GENERAL TERMS AND CONDITIONS

27. 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, storage, transportation or delivery of Gas hereunder or the equipment required in connection with such receipt, storage, 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 the terms and conditions.

28. OPERATOR

28.1 DESIGNATION OF OPERATOR

The Operator of Transporter's System is Kinder Morgan Nat Gas Operator LLC, which performs all of Transporter's obligations hereunder. Transporter reserves the right to change the designation of the Operator.

28.2 WAIVER AND INDEMNIFICATION

A. In the absence of negligence, or misfeasance 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, damages and demands arising out of the conduct of Operator, its officers, employees or Agents hereunder.

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**First Revised Sheet No. 246** First Revised Sheet No. 246  
Superseding: Original Sheet No. 246

GENERAL TERMS AND CONDITIONS

28. OPERATOR (Contd.)

28.2 WAIVER AND INDEMNIFICATION (Contd.)

- B. In the absence of negligence, or misfeasance on the part of Transporter, each Shipper waives any and all claims and demands against Transporter arising out of or in any way connected with: (1) the quality, use or condition of the Gas after delivery from Transporter for the account of such Shipper; (2) any losses or shrinkage of Gas during and resulting from transportation hereunder; and (3) all other claims, damages and demands arising out of the conduct of Operator, its officers, employees or Agents hereunder.
- C. Except in the case of negligence, recklessness or misfeasance 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 conduct of Operator, its officers, employees or Agents hereunder in transporting Gas for any Shipper.

29. OPERATING CONDITIONS

29.1 PERSONNEL AND FACILITIES

- A. Personnel of Kinder Morgan NatGas Operator LLC operate Rockies Express Pipeline LLC.

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Superseding: Original Sheet No. 247

GENERAL TERMS AND CONDITIONS

29. OPERATING CONDITIONS (Contd.)

29.1 PERSONNEL AND FACILITIES (Contd.)

- B. Transporter shall post on its Interactive Website the information required to be posted to comply with the Commission's standards of conduct, including information such as the names and addresses of Transporter's marketing affiliates. Such information will be updated within seven (7) Business Days of any change.
  
- C. If an employee of Transporter discloses non-public information about Transporter's transmission System or the transmission system of another or non-public information acquired from a non-affiliated customer or a potential non-affiliated customer to any of its marketing affiliates, Transporter shall immediately post such information on its Interactive Website.

29.2 VALID REQUEST INFORMATION

The specific information and format for a valid request for transportation service are contained in the applicable rate schedules of Transporter's FERC Gas Tariff.

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GENERAL TERMS AND CONDITIONS

29. OPERATING CONDITIONS (Contd.)

29.3 COMPLAINT PROCEDURE

It is the goal of Transporter, as a provider of transportation services for others, that each of its Existing and potential Shippers receive service that is in accordance with Transporter's Tariff and is satisfactory to the customer. To that end, it is the policy of Transporter that customer concerns and problems, communicated in any form to any representative of Transporter, 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 29.3A through 29.3E should be followed.

- A. Formal complaints by Shippers and potential Shippers shall be addressed to the Vice President, Commercial Operations. 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, Transporter's resolution of the matter will be communicated tentatively to the complainant at that time.

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GENERAL TERMS AND CONDITIONS

29. OPERATING CONDITIONS (Contd.)  
29.3 COMPLAINT PROCEDURE (Contd.)
- 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, Transporter 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.
30. FERC ANNUAL CHARGE ADJUSTMENT (ACA) PROVISIONS
- 30.1 PURPOSE  
For the purpose of funding of the Federal Energy Regulatory Commission's (FERC) costs incurred in any fiscal Year, this Section 30 establishes an Annual Charge Adjustment to be applicable to Transporter's Rate Schedules as set forth on the applicable rate sheets of this Tariff. Transporter shall not recover any annual charges recorded in FERC Account No. 928 in an NGA Section 4 rate case.
  - 30.2 BASIS  
The basis for the charge shall be the amount that is determined annually by FERC pursuant to Docket No. RM87-3 (May 29, 1987). The ACA unit charge shall be applied to the commodity component of rates.
  - 30.3 REMITTANCE TO THE FERC  
Transporter shall remit to the FERC, not later than 45 Days after receipt of the Annual Charge Billing, the Total Annual Charge stated in such billing.

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**First Revised Sheet No. 250** First Revised Sheet No. 250  
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31. WAIVERS

Transporter 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 or be construed as a waiver of other or future rights or obligations whether of a like or different character.

32. COMPLIANCE WITH 18 C.F.R., SECTION 284.12

32.1 Transporter 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): 0.1.1, 0.1.2, 0.2.1, 0.2.2, 0.2.3 and 0.3.1 to 0.3.15
- B. NOMINATIONS, CONFIRMATIONS AND SCHEDULING (Version 1.8): 1.1.12 through 1.1.14, 1.1.16, 1.1.17 through 1.1.22, 1.2.1 through 1.2.3, 1.2.5, 1.2.8 through 1.2.11, 1.2.13 through 1.2.19, 1.3.2 (vi), 1.3.7, 1.3.20, 1.3.24, 1.3.25, 1.3.27 through 1.3.31, and 1.3.33 through 1.3.77 and 1.3.79
- C. FLOWING GAS (Version 1.8): 2.1.2, 2.1.3, 2.1.5, 2.3.1, 2.3.2, 2.3.4, 2.3.7, 2.3.8, 2.3.11 through 2.3.13, 2.3.15, 2.3.20, 2.3.22, 2.3.23, 2.3.25 through 2.3.35, and 2.3.40 through 2.3.64.
- D. INVOICING (Version 1.8): 3.3.1 through 3.3.8, 3.3.10 through 3.3.13, 3.3.16 and 3.3.20 through 3.3.26.
- E. QUADRANT ELECTRONIC DELIVERY MECHANISMS (Version 1.8): 4.1.2 through 4.1.4, 4.1.6, 4.1.7, 4.1.10, 4.1.12 through 4.1.24, 4.1.26 through 4.1.39, 4.2.1 through 4.2.20, 4.3.1 through 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 through 4.3.62, 4.3.65 through 4.3.76, and 4.3.78 through 4.3.87, 4.3.89 4.3.90, 4.3.91, 4.3.92, 4.3.93;

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GENERAL TERMS AND CONDITIONS

32. COMPLIANCE WITH 18 C.F.R., SECTION 284.12 (Contd.)  
32.1 (Contd.)

F. CAPACITY RELEASE (Version 1.8): 5.1.2 through 5.1.4, 5.2.1 through 5.2.3, 5.3.7, 5.3.9, 5.3.10, 5.3.12, 5.3.18, 5.3.20, 5.3.21, 5.3.23, and 5.3.29 through 5.3.60;.

G. INTERNET ELECTRONIC TRANSPORT RELATED STANDARDS (Version 1.8): 10.2.1 through 10.2.38, 10.3.1, 10.3.3 through 10.3.25.

32.2 A. Transporter shall utilize the standardized datasets provided by the standards incorporated by reference in 18 C.F.R. Section 284.12. Transporter's implementation guide for the standardized data sets specifies Transporter'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 Interactive Website-Help Line (1-800-258-3278) and asking for the EDI coordinator.

B. Transporter 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 through 1.4.7
- (3) FLOWING GAS RELATED STANDARDS (Version 1.8): 2.4.1 through 2.4.16.
- (4) INVOICING RELATED STANDARDS (Version 1.8): 3.4.1 through 3.4.4.
- (5) CAPACITY RELEASE RELATED STANDARDS (Version 1.8): 5.4.1 through 5.4.22.

C. Transporter shall utilize the North American Energy Standards Board Trading Partner Agreement (Version 1.8, Standard 6.3.3).

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32. COMPLIANCE WITH 18 C.F.R., SECTION 284.12 (Contd.)

32.3 Transporter's HTML page(s) is accessible via the Internet's World Wide Web at the following address:  
<http://pipeline.kindermorgan.com>

33. NEGOTIATED RATES

33.1 Availability.

Transporter and Shipper may mutually agree in writing to a Negotiated Rate for service under any rate schedule contained in Transporter's Tariff. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate Agreement. Transporter's Recourse Rate is available to any Shipper that does not desire to negotiate a rate with the Transporter.

33.2 Definition.

Transporter and Shipper may mutually agree to a Negotiated Rate or rate formula for service, in which one or more of the individual rate components may be less than, equal to, or greater than Transporter maximum and/or minimum rates, may be based on a rate design other than Straight Fixed Variable (SFV), and may include a minimum volume.

33.3 Limitations.

This Section 33 does not authorize Transporter to negotiate terms and conditions of service.

33.4 Capacity Allocation.

For purposes of Curtailment and scheduling services pursuant to Section 3 of the General Terms and Conditions of this Tariff, Shippers which have agreed to pay a Negotiated Rate which exceeds the maximum tariff rate, when calculated on a 100 percent load factor basis, will be considered to be paying the maximum Recourse Rate. In evaluating bids for existing firm service or allocating existing Capacity among competing requests for firm service where one or more bid(s) is at a Negotiated Rate which is proposing a reservation rate or other form of revenue guarantee (i.e., minimum throughput condition or minimum bill) that exceeds the maximum applicable reservation rate, the Net Present Value of any such bid for firm service shall be capped by the Net Present Value of the maximum applicable reservation rate for such service over the contract term bid.

GENERAL TERMS AND CONDITIONS

33. NEGOTIATED RATES (Contd.)

33.5 Capacity Release.

The maximum price cap for the release of Capacity under a Negotiated Rate Agreement shall be the Recourse Rate. Transporter and a Releasing Shipper may, in connection with their Agreement to a Negotiated Rate, agree upon payment obligations and credit mechanisms in the event of Capacity releases that vary from or are in addition to those set forth in Section 15 of these General Terms and Conditions.

33.6 Rate Treatment.

Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to Negotiated Rate Agreements that were converted from pre-existing discount adjustments to Negotiated Rate Agreements, provided that the type of pre-existing service is not altered as a result of the conversion to a Negotiated Rate. In those situations, Transporter may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenues received; or (b) the discounted rate revenues which otherwise would have been received.

33.7 Right of First Refusal.

The right of first refusal provided with respect to certain Shipper's firm Service Agreement(s), as described in Section 17 of these General Terms and Conditions, shall not apply to firm Service Agreement(s) with Negotiated Rates, unless otherwise agreed to in writing by Transporter or as specified in this Tariff.

33.8 Negotiated Rate Surcharge and Fuel Retention Components.

If Transporter negotiates surcharge or Fuel retention percentage rate components at lower than the maximum rate level for those components as part of a Negotiated Rate Agreement, it will assume any risk of under-recovery of costs or Fuel retention from Negotiated Rate Shippers in order to ensure that its FL&U Recourse Rate Shippers are not adversely affected due to Negotiated Rate Agreements with individual Shippers. If Transporter negotiates specific surcharge components of its rates, rather than total rates, as part of a Negotiated Rate Agreement, the discount order policy in Section 12.6 of these General Terms and Conditions shall not apply.

GENERAL TERMS AND CONDITIONS

33. NEGOTIATED RATES (Contd.)

33.9 Accounting.

Transporter shall maintain sufficient records to identify revenues associated with Negotiated Rate Agreements.

33.10 Standard of Review.

In the event the Commission considers or reviews an effective rate contained in a Negotiated Rate Service Agreement, the standard of review shall be the public interest standard of review under the Mobile-Sierra Doctrine.

34. OPERATIONAL BALANCING AGREEMENTS

34.1 Terms Governing

For the purpose of minimizing operational conflicts between various Gas facilities with respect to the delivery of Gas to and from Transporter's facilities, Transporter is willing to negotiate and execute OBAs with appropriate parties that operate facilities interconnecting with Transporter's System (any such party will be referred to herein as the "OBA Party"). Such OBAs shall specify the Gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of scheduled quantities to be received by Transporter at Point(s) of Receipt and delivered by Transporter at Point(s) of Delivery. Such OBAs will provide that any variance between actual quantities and scheduled and confirmed quantities for any Day shall be resolved pursuant to the terms of the OBA. To facilitate such determination of variances on a timely basis, Transporter and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Transporter shall post on the Informational Postings portion of the Interactive Website those Points of Receipt and Points of Delivery which are subject to an OBA.

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GENERAL TERMS AND CONDITIONS

34. OPERATIONAL BALANCING AGREEMENTS (Contd.)

34.2 Prerequisite to Execution

It is Transporter's intent to negotiate and execute OBAs on a non-discriminatory basis with any OBA Party. However, Transporter shall have no obligation to negotiate and execute OBAs with any Party that:

- A. is not creditworthy as determined pursuant to Section 13 of these General Terms and Conditions, substituting the term "OBA Party" for "Shipper" for this purpose;
- B. does not maintain a Gas control operation which is staffed on a continuous, around-the-clock basis;
- C. does not have electronic flow measurement equipment to which Transporter has access at the interconnect Points which are proposed to be subject to the OBA;

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GENERAL TERMS AND CONDITIONS

34. OPERATIONAL BALANCING AGREEMENTS (Contd.)

34.2 Prerequisite to Execution (Contd.)

- D. would cause an increase in the level of regulators or flow control regulation which Transporter is subject to prior to the execution of the applicable OBA; or
- E. does not commit to timely and final determination of Imbalances based on reasonable available measurement technology.

34.3 Right To Protect System Integrity

Nothing in this Section 34, nor any executed OBA, shall limit Transporter's rights to take action as may be required to adjust receipts and deliveries under any transportation Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's System, including maintenance of service to higher priority customers or services.

34.4 Recordkeeping

Transporter shall maintain records of volumes and amounts paid or received pursuant to OBAs entered into under this Section 34. Such records shall be available for review upon request by the parties to the agreement.

35. GATHERING AFFILIATE

35.1 Transporter will provide nondiscriminatory access to all sources of supply in accordance with Part 284 of the Commission's regulations and will not give Shippers of any gathering affiliate undue preference over Shippers of nonaffiliated gatherers or other customers in scheduling, transportation, storage or Curtailment priority.

35.2 Transporter will not condition or tie its agreement to provide transportation service to an agreement by the producer, customer, end-user, or Shipper relating to any service by any gathering affiliate, any services by it on behalf of its gathering affiliate, or any services in which its gathering affiliate is involved.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS

36.1 GENERAL

- A. Transporter shall endeavor to maintain adequate pressure throughout its System and to preserve the overall operational integrity of its System; provided, however, that Transporter shall not be obligated to buy or sell Gas or to install additional compression or otherwise modify its System for these purposes. Operating personnel for Shippers and other entities which are physically taking delivery of Gas from Transporter or tendering Gas to Transporter shall cooperate with Transporter in furtherance of this section. Each Shipper shall designate the e-mail address, telephone and facsimile numbers of one primary and one backup person for Transporter to contact on operating matters (including the receipt of Directional Notices and notices of Critical Time Operational Flow Orders) 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 Transporter'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.

36.2 FACILITY CONTROL

Transporter shall maintain actual physical and operational control of all transmission or any other facilities located on its System.

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.3 OPERATIONAL CONTROL SEQUENCE

- A. In the event Transporter'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, Transporter is authorized by this section to take action to alleviate this situation. In responding to the projected development of such a situation, Transporter shall first apply the Advisory Action procedures of Section 36.4. If such measures are not sufficient and the situation continues to deteriorate, Transporter shall next employ Directional Notices as provided in Section 36.5. In the event Directional Notices alone are not adequate, and the situation becomes worse, Transporter may invoke the Critical Time Operational Flow Order procedures set out in Section 36.6. Finally, Transporter may take unilateral action as provided in Section 36.7. 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 be anticipated to alleviate the situation to be addressed. In issuing Advisory Actions, Directional Notices or Critical Time Operational Flow Orders, Transporter shall describe the specific System conditions, including providing available information that led Transporter to conclude that the particular action requested of Shipper(s) is appropriate, and the specific responses required from the affected parties.
  
- B. To the extent that specific actions can be reasonably identifiable, Transporter shall direct its actions hereunder to Shippers creating or anticipated to create the situation to be addressed and shall act consistent with Section 36.8. Nothing herein shall preclude Transporter from bypassing any of the above procedures if, in its judgment, the situation so requires. Transporter will keep Shippers advised on the status of the situation through the Informational Postings portion of Transporter's Interactive Website.

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.4 ADVISORY ACTIONS

In the event Transporter determines that action is required to alleviate or forestall a situation in which System pressure is not maintained or when the overall operational integrity of the System or any portion of the System is jeopardized, Transporter may take the Advisory Actions set out herein to alleviate or forestall the development of such a situation.

A. Transporter 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:

- (1) Increase or decrease the supply mix of deliveries;
- (2) Shift receipts to obtain better Capacity Balance;
- (3) Change Receipt or Delivery Points;
- (4) Change usage patterns (e.g., end users switch to alternate Fuels);
- (5) Provide assistance from market area resources;
- (6) Activate pre-negotiated voluntary arrangements under which Gas is diverted from one Shipper to another or from a non-Shipper to a Shipper (which arrangements may specify appropriate compensation);
- (7) Reconcile transportation Imbalances; and/or
- (8) Such other voluntary action as would tend to alleviate or forestall the situation.

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.4 ADVISORY ACTIONS (Contd.)

B. Transporter may also take actions within its control which might tend to alleviate or forestall the situation. Such actions may include the following:

- (1) Advise any Shipper which is not maintaining receipts and deliveries in Balance that such Imbalances must not continue;
- (2) Curtail or require adjustments or supply shifts in IT service; or
- (3) Take such other actions as are within Transporter's control and discretion to alleviate or forestall the situation.

36.5 DIRECTIONAL NOTICE

- A. (1) In the event that, in Transporter's judgment, the Advisory Actions under Section 36.4 are not sufficient to alleviate conditions, inter alia, which threaten or could threaten the safe operations or integrity of Transporter's System or to maintain operations required to provide efficient and reliable firm service, Transporter is authorized to issue Directional Notices to Shippers which are intended to address such conditions consistent with the provisions of this Section 36.
- (2) Notwithstanding the foregoing, Transporter shall take reasonable actions to minimize the issuance and the adverse impact of Directional Notices, or of any other measure taken under this Section 36 in response to adverse operational events on Transporter's System. Transporter will issue Directional Notices only if necessary, in its reasonable judgment, to maintain the pressure of its System within the range of normal operating parameters or, to respond to or prevent facility outages or other conditions which could have a detrimental impact on the reliability or service integrity of its System. Directional Notices shall be lifted as soon as reasonably practicable after such conditions no longer prevail.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.5 DIRECTIONAL NOTICE (Contd.)

A. (Contd.)

- (3) Such Directional Notices may, subject to Section 36.10, 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:
  - (a) Cease or reduce takes from Transporter's System or at specific Points;
  - (b) Reconcile transportation Imbalances;
  - (c) Require that deliveries under all of Transporter's rate schedules be made on a uniform hourly rate effective three (3) hours after issuance of a Directional Notice; and/or
  - (d) Require any other actions which may be acceptable to a Shipper, within the Shipper's existing contractual limits.
- (4) No Shipper will be required under a Directional Notice to exceed its total firm MDQ under its Agreements with Transporter under Part 284 of the Commission's Regulations. Nor will a Shipper be required to accept delivery of Gas which the Shipper cannot use at its Delivery Point.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.5 DIRECTIONAL NOTICE (Contd.)

- B. In issuing Directional Notices to correct problems with either too much Gas or insufficient Gas being received as compared to deliveries, Transporter will generally follow the following sequence, to the extent there is sufficient time:
- (1) Transporter will require all Shippers out of Balance to the detriment of the System to Balance their Agreements;
  - (2) Transporter will seek voluntary action from Shippers, subject to the Shipper and Transporter negotiating adequate compensation;
  - (3) Transporter will interrupt interruptible services then being provided if that will restore System flexibility prior to issuance of additional Directional Notices or Curtailment of firm services. Further, this step may also be taken when Shippers are failing to comply with previously issued Directional Notices or when Transporter cannot identify which Shippers are creating the problem.
- C. (1) In the event receipts in segments of Transporter's System exceed scheduled receipts so that high System pressures back off scheduled receipt quantities, Transporter may issue a Directional Notice to all Shippers in the affected segment of the System stating that a high pressure condition exists. All such Shippers will be required to check their deliveries into Receipt Points on the affected portion of the System.
- (2) Those Shippers who are delivering more than their scheduled volumes will have four (4) hours to make needed adjustments, or enter the penalty situation. A Directional Notice issued pursuant to this Section 36.5C will be canceled by Transporter when the high pressure condition described above has been corrected and the Imbalances created by the high pressure condition have been reasonably resolved.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.5 DIRECTIONAL NOTICE (Contd.)

- D. In the event there is a need for Transporter to engage in routine and normal maintenance of the System, to undertake repairs and replacement of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test equipment, to check or change compressor internals, or to engage in other similar actions affecting the Capacity of any portion of the System, Transporter may issue Directional Notices pursuant to this Section 36.5D which will contain an estimate of the time, duration, and impact of the activity. An event of force majeure may affect deliveries, but not trigger the need for a Directional Notice pursuant to this Section 36.5D. An order issued pursuant to this Section 36.5D shall be canceled when such planned maintenance or other activities have been completed.

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)  
36.5 DIRECTIONAL NOTICE (Contd.)

- E. (1) Directional Notices will be the first items shown in the Informational Postings portion of Transporter's Interactive Website. Transporter shall also post, as soon as available, information about operational parameters which affect when a Directional Notice will begin and end. Transporter shall provide as much advance warning as reasonably possible of conditions which may create the need to issue a Directional Notice. Transporter shall also provide as much advance warning as reasonably possible of the issuance of a Directional Notice. Transporter will endeavor to post the notice on its Interactive Website before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via Transporter's Interactive Website by 4:00 p.m. Central Time that they should check the Website again at a specified later time to see whether a Directional Notice will be in effect for the next Day. Transporter must attempt to give actual notice of a Directional Notice via e-mail, facsimile or telephone (provided a Shipper has given the numbers to Transporter as required in Section 36.1) at least four (4) hours prior to the start of the Day before a Directional Notice will be effective as to a Shipper. Such notice shall specify the anticipated duration of the Directional Notice. To the extent reasonably possible, a Directional Notice 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 Transporter notifies Shippers on Transporter's Interactive Website that the Directional Notice has been lifted.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.5 DIRECTIONAL NOTICE (Contd.)

E. (Contd.)

(2) Such notice and posting shall include but not be limited to: (i) mandated specific actions; (ii) indication of voluntary actions; (iii) identification of the parties subject to the Directional Notice; (iv) the time the Directional Notice will become effective; (v) the estimated duration of the Directional Notice; (vi) whether Transporter is over-delivered or under-delivered; (vii) whether actual net receipts need to be equal to or greater than actual deliveries, or actual deliveries need to be equal to or greater than actual net receipts; (viii) whether or not authorized Overruns are acceptable; and (ix) 24-hour contact number for Transporter during the duration of the Directional Notice.

F. If any Shipper fails to comply with a Directional Notice (other than those described in Subsection G below) during any period which is not a Critical Time, it shall be subject to a penalty of two (2) times the maximum ITS Rate per Dth, applicable to the Operational Impact Area, times any volume of Gas, outside of a five percent (5%) tolerance, by which it deviated from the requirements of the Directional Notice. A Shipper shall be exempt from such a penalty under this Section 36.5F to the extent the Directional Notice requires action beyond Shipper's contract limits under its Agreement with Transporter.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)  
36.5 DIRECTIONAL NOTICE (Contd.)

G. Transporter may also issue Directional Notices as follows:

- (1) In order to improve System operations, Transporter may require any Shipper which has a variance of twenty percent (20%) or more between actual deliveries to Transporter at a Receipt Point and the confirmed Nomination at that Receipt Point to conform the deliveries to the confirmed Nomination as of the Day that commences with the effectiveness of the Directional Notice.
- (2) (a) Transporter may also require Shippers to keep any variances between actual flows and confirmed Nominations at all of the Receipt Points or Delivery Points under each Shipper's Agreements, which are to the detriment of Transporter's System, within a ten percent (10%) tolerance. If a Shipper ("Swing Shipper") agrees to keep all other Shippers at a Delivery Point whole with their Nominations, such other Shippers' confirmed Nominations and actual takes at that Point will be included in the total confirmed Nominations and the total actual deliveries of the Swing Shipper at all Delivery Points for purposes of determining the Swing Shipper's variance.
- (b) Shippers that fail to comply with such Directional Notice described in this Subsection G shall be subject to a penalty of two (2) times the Monthly Index Price per Dth, (as determined in Section 11.3 of these General Terms and Conditions), applicable to the Operational Impact Area, outside of a ten percent (10%) tolerance, by which such Shipper deviated from the requirements of the Directional Notice. A Shipper shall be exempt from any penalty under this Section 36.5G to the extent the Directional Notice requires action beyond Shipper's contract limits under its Service Agreement with Transporter.

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.5 DIRECTIONAL NOTICE (Contd.)

- H. A Shipper shall not be subject to Overrun penalties or Imbalance penalties with respect to any action taken in conformance with a Directional Notice issued by Transporter.

36.6 CRITICAL TIME OPERATIONAL FLOW ORDER

- A. A Critical Time Operational Flow Order 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 of the System; (2) when System pressure on one or more pipeline segment(s) is falling and approaching a level, or is expected to fall and approach a level that is at or below the minimum that Transporter considers necessary for System integrity or to fulfill its firm contractual obligations; (3) when System pressure on one or more pipeline segment(s) 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 Transporter's facilities may be safely operated; or (4) at other times when Transporter 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 Transporter'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 interruptible Gas 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. Transporter shall notify Shippers through the Informational Postings portion of Transporter's Interactive Website as to the reason(s) why a Critical Time was declared. A Critical Time Operational Flow Order shall be lifted as soon as reasonably practicable after the conditions giving rise to such Order no longer prevail.
- B. Transporter shall advise Shippers on its System if it is declaring a Critical Time, as described in Section 36.6A of these General Terms and Conditions, and shall specify the nature of the situation creating the Critical Time.
- C. Transporter may issue Critical Time Operational Flow Orders as described in Section 36.6 during a Critical Time.

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GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.6 CRITICAL TIME OPERATIONAL FLOW ORDER (Contd.)

- D. All quantities tendered on a net contract basis to Transporter and/or taken by Shipper on a daily basis in violation of Transporter's Critical Time Operational Flow Orders issued during a Critical Time shall constitute Unauthorized receipts or deliveries, for which a charge of five (5) times the Monthly Index Price per Dth (as determined in Section 11.3 of these General Terms and Conditions), applicable to the Operational Impact Area, shall be assessed for the Days the Critical Time Operational Flow Order is in place and the resulting Imbalance will be reduced to zero. A Shipper shall be exempt from any penalty under this Section 36.6D to the extent the Critical Time Operational Flow Order requires action beyond Shipper's contract limits under its Service Agreement with Transporter.

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FERC Docket: CP06-354-002

**Original Sheet No. 269** Original Sheet No. 269 : Effective

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.6 CRITICAL TIME OPERATIONAL FLOW ORDER (Contd.)

- E. Notice of a Critical Time Operational Flow Order will be posted on Transporter's Interactive Website, and will be the first information item shown in the Informational Postings portion of the Interactive Website. Transporter will endeavor to post the notice on the Interactive Website before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via the Interactive Website by 4:00 p.m. Central Time that they should check the Interactive Website again at a specified later time to see whether a Critical Time Operational Flow Order will be in effect for the next Day. Transporter must attempt to give actual notice of a Critical Time Operational Flow Order via e-mail, facsimile or telephone (provided a Shipper has given the number to Transporter as required in Section 36.1) at least four (4) hours prior to the start of the Day before a Critical Time Operational Flow Order will be effective as to a Shipper(s). Such notice shall specify the anticipated duration of the Critical Time Operational Flow Order and whether other charges will apply to over-receipts and under-deliveries as compared to confirmed Nominations or to under-receipts and over-deliveries as compared to confirmed Nominations. If reasonably possible, a Critical Time 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 Transporter notifies Shippers via the Informational Postings portion of its Interactive Website that there is no longer a Critical Time Operational Flow Order.
  
- F. A Shipper shall not be subject to Overrun penalties or Imbalance penalties with respect to any action taken in conformance with a Critical Time Operational Flow Order issued by Transporter.

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FERC Docket: CP06-354-002

Original Sheet No. 270 Original Sheet No. 270 : Effective

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.7 UNILATERAL ACTION

In the event that the requested or required actions under Sections 36.3 through 36.6 (the Advisory Actions, Directional Notices or Critical Time Operational Flow Orders) are inadequate, or there is insufficient time to carry out such procedures, Transporter may periodically have to take unilateral action to maintain System pressure and preserve the overall operational integrity of Transporter's System (or any portion thereof). Transporter is authorized to use all the resources of its System to such ends, including, but not limited to adjusting line pack and supply received into and deliveries from Transporter's System. Transporter shall not, however, be responsible as a supplier of Gas to any Shipper.

36.8 APPLICABILITY OF ACTIONS

In exercising its authority pursuant to Sections 36.3 through 36.7, Transporter shall generally direct its actions to Shippers in the following sequence, to the extent such actions and/or sequencing will tend to alleviate the situation to be addressed:

- A. First, to any Shipper which has been identified to take action and is causing disruption due to its failure to maintain receipts and deliveries in Balance or to match physical flows with nominated receipts or deliveries;
- B. Second, to any Shipper which has been identified to take action and has failed or is failing to take action to anticipate a change in demand (i.e., a temperature sensitive LDC or end user failing to respond to changes in weather);
- C. Third, to any Shipper which has been identified to take action and is operating in a manner which conflicts with sound operational practices in relation to Transporter's System; and
- D. Lastly, to all other Shippers.

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Original Sheet No. 271 Original Sheet No. 271 : Effective

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.9 REFUND OF PENALTY AMOUNTS

The amounts collected as penalties by Transporter for each Directional Notice or Critical Time Operational Flow Order shall be refunded through an event-by-event calculation in the annual reconciliation filing as referenced in Section 37 of these General Terms and Conditions and as follows:

- A. First, the amounts collected will be used to compensate Transporter for any costs it has incurred (including any compensation Transporter agreed to provide for voluntary actions) to alleviate the conditions which resulted in the issuance of the Directional Notice or in declaration of the Critical Time Operational Flow Order.
- B. Then, any remaining amounts will be refunded to all Complying Shippers and other Shippers that did not incur Directional Notice or Critical Time Operational Flow Order penalties based on the method described in Section 37 of these General Terms and Conditions.
- C. In each instance when amounts are collected as penalties for a Directional Notice or Critical Time Operational Flow Order, Transporter shall have the right to review the circumstances surrounding each penalty incurrence and, in its judgment, may waive all or a portion of the amount collected in excess of 100% of the Monthly Index Price. Any such waiver shall be granted on a non-discriminatory basis to all Shippers from whom penalties were collected in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.

36.10 STANDARDS

- A. In issuing Directional Notices, Critical Time Operational Flow Orders or taking other operational control action under this section, Transporter shall apply consistent and objective engineering and operational criteria to define the overall operational integrity of the System and acceptable pressure levels to be maintained, 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.

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**Original Sheet No. 272** Original Sheet No. 272 : Effective

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.10 STANDARDS (Contd.)

- B. In applying this section, Transporter shall operate its System in 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.

36.11 LIABILITY

- A. Transporter shall not be liable to any person for the manner in which it operates its System, or for any diversion of Gas or Capacity rights or any other adverse consequences to such person which may result from its actions, provided that Transporter's actions were undertaken in furtherance of and in accordance with this section and provided further that such adverse consequences are not attributable to Transporter's negligence or misfeasance.
- B. Compliance with the Directional Notices, Critical Time Operational Flow Orders and the other terms and conditions of Transporter's FERC Gas Tariff is essential to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with the Directional Notices or Critical Time Operational Flow Orders may affect Transporter's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except for negligence or undue discrimination, have no liability consistent with the provisions of these General Terms and Conditions.
- C. In the event a Shipper's Gas supplies are diverted to another Shipper as a result of a Directional Notice or Critical Time Operational Flow Order, the party receiving such Gas supplies shall compensate the Shipper whose Gas was diverted at one hundred percent (100%) of Transporter's Monthly Index Price (as determined in Section 11.3 of these General Terms and Conditions). Should reduced deliveries result from the issuance of a Directional Notice or Critical Time Operational Flow Order, Transporter shall provide reservation charge credits to Shippers reflecting such reduced deliveries. Nothing in this provision shall limit a Shipper's right to seek compensation (under any available state or common law remedies) from any Shipper receiving diverted gas.

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FERC Docket: RP10-474-000

**First Revised Sheet No. 273** First Revised Sheet No. 273  
Superseding: Original Sheet No. 273

GENERAL TERMS AND CONDITIONS

36. OPERATIONAL PARAMETERS (Contd.)

36.12 REPORTING

Within 10 Business Days after a Critical Time Operational Flow Order has been lifted, Transporter will post on its Internet Website a report that describes the specific operational factors that caused the Critical Time Operational Flow Order to be issued and then lifted.

36.13 UNAUTHORIZED OVERRUN GAS

Transporter will notify Operators or Shippers by approximately the 15th of each Month of their level of Unauthorized Gas for the preceding calendar Month. Transporter will post on its Interactive Website, by approximately the 15th of each Month, quantities of Unauthorized Gas in the preceding Month which cannot be attributed to any party. Any Operator or Shipper who delivers unscheduled Gas onto Transporter's System will be given sixty (60) Days from the date Transporter provides notice to the Operator that such Gas has been received, to deliver it off the System or schedule it for delivery, or it will become the property of Transporter at the end of the 60 Day period. If the party who delivered such Gas onto Transporter's System is not known, the Gas will become the property of Transporter sixty (60) Days after it was received by Transporter. The realized value of any Gas retained by Transporter pursuant to this Section 36.13 will be credited back to Shippers pursuant to Section 37 of these General Terms and Conditions. If any Operator or Shipper receives Gas off of Transporter's System that is neither nominated nor confirmed, the particular Rate Schedule's provisions shall apply.

37. CREDITING OF PENALTY CHARGES

37.1 This Section 37 establishes the procedures to be used by Transporter to credit to Shippers Penalty Charges. "Penalty Charges" shall include all Unauthorized Overrun Service Charges, cashout penalties, Directional Notice penalties, Critical Time Operational Flow Order penalties, IBS and PALS contract cashout penalties received and the value of Gas retained pursuant to Sections 20.7 and 36.13 of these General Terms and Conditions.

A. By June 1 of each Year, Transporter shall submit to the FERC a reconciliation filing setting forth in detail the penalty charges and related costs as of the preceding December 31, and the allocation of any penalty charges and related costs under this Section 37 to each Shipper.

GENERAL TERMS AND CONDITIONS

37. CREDITING OF PENALTY CHARGES (Contd.)  
37.1 (Contd.)

- B. Transporter shall compare penalty charges and related costs, and determine if the penalty charges were in excess of costs (net penalty charge revenue) or if costs were in excess of penalty charges (net penalty charge costs).
- C. To the extent net penalty charge revenues are received by Transporter, such net penalty charge revenues, if any, shall be refunded through a direct payment or invoice credit. A refund allocation factor for each Shipper shall be calculated by dividing the actual revenues for each Shipper by the total revenues during the reporting period. The revenues used to calculate the refund allocation factor shall be net of all applicable surcharges, including but not limited to, ACA surcharges. The resulting refund allocation factor shall be multiplied by the net penalty charge revenue to determine the applicable direct payment or invoice credit to each Shipper.
- D. Any net penalty charge costs shall be rolled forward into succeeding reporting periods until eliminated.

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT

38.1 PURPOSE AND APPLICABILITY

This Section 38 establishes a PRA mechanism for the purpose of adjusting the Fuel and Lost and Unaccounted for Reimbursement Percentages (FL&U%) as set forth on the applicable rate sheets of this Tariff. This provision specifies the procedure to be utilized to adjust such percentages to reflect: (a) changes in the level of Transporter's Fuel Reimbursement per unit of relevant service required to recover FL&U, and (b) amortization of the Unrecovered FL&U Reimbursement Accounts provided for in Section 38.5 hereof. All amounts for Reimbursement of FL&U shall be recovered in-kind by Transporter by applying the FL&U Reimbursement Percentage to the volume received for transportation.

38.2 DEFINITIONS (Applicable to this Section 38)

- A. MIP. The Monthly Index Price as defined in Section 11.3C of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT (Contd.)  
38.2 DEFINITIONS (Applicable to this Section 38) (Contd.)
- B. Gas Compressor Fuel. The actual Fuel consumed in Gas Compressor Stations, as determined under Section 38.4C of these General Terms and Conditions.
  - C. Electric Compression Costs. The Gas equivalent of Electric Power Costs, as determined under Section 38.4B of these General Terms and Conditions.
  - D. Electric Power Costs (EPC). The cost, as determined under Section 38.4B hereof, of electric power purchased by or for Transporter to be used in the operation of any electric compressor stations. EPC shall also include any related stranded costs or other surcharges imposed by electric power suppliers that may be billed or allocated to Transporter.
  - E. Base Period. Each twelve (12) Month period of actual operating experience, commencing with the first Day of the Month that service is provided.
  - F. Recovery Period. The period during which the PRA may be in effect, which shall be a twelve (12) Month period commencing with the effective date of the next re-determination as specified in Section 38.3.
  - G. Receipt Quantities. The actual volumes of Gas received by Transporter at the various Receipt Points on Transporter's System.
  - H. Effective Date. The first Day of the Month in which changes to the FL&U Reimbursement Percentages are to be effective.
  - I. WAMIP. The applicable previous twelve (12) Months of MIP, weighted by the applicable twelve (12) Months of volumes and dollars.

GENERAL TERMS AND CONDITIONS

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT (Contd.)

38.3 PERIODIC RATE ADJUSTMENT

- A. The initial level of the FL&U Reimbursement Percentage for each zone or facility for which a FL&U% is charged shall be established in Transporter's certificate proceeding. The FL&U Reimbursement Percentages shall be re-determined based upon Transporter's twelve (12) Months of operating experience for each zone or facility for which a FL&U% is charged, ending each December 31 and then based upon each succeeding twelve (12) Month period thereafter. The FL&U Reimbursement Percentages shall be re-determined in interim filings to be effective each April 1 or at other times at Transporter's discretion.
- B. Transporter shall file its adjustment to the FL&U Reimbursement Percentage for each zone or facility for which a FL&U% is charged at least thirty (30) Days prior to the proposed effective date of the re-determination, based on the procedures set out in Sections 38.4 and 38.5. Tracking filings submitted in accordance with this section shall become effective on the designated effective dates. Any changes from the prior tracking level shall be subject to review in the periodic Fuel rate adjustment filing.

38.4 CURRENT FL&U REIMBURSEMENT

The methodology used to derive the FL&U Reimbursement Percentage(s) for each periodic rate adjustment is as follows:

- A. Lost and Unaccounted-for Gas volumes. The Lost and Unaccounted-for Gas volumes to be included in the FL&U Reimbursement Percentage(s) consist of the actual Lost and Unaccounted for Gas volumes consumed during the Base Period, as adjusted for changes that are known and measurable with reasonable accuracy, expressed as Dth.
- B. Electric Compression Costs. Electric Compression Costs, if any, to be expressed in Dth and to be included in the FL&U Reimbursement Percentage calculation are to be determined as set out in this Subsection B. First, the Electric Power Costs are calculated by taking the sum of: the total actual electric power charges during the Base Period, as adjusted for changes which are known and measurable with reasonable accuracy. Then, the sum is divided by the applicable MIP to calculate the electric power cost Gas equivalents of the Electric Power Costs, expressed in Dth.

GENERAL TERMS AND CONDITIONS

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT (Contd.)  
38.4 CURRENT FL&U REIMBURSEMENT (Contd.)

- C. Gas Compressor Fuel. The Gas Compressor Fuel to be included in the current FL&U Reimbursement Percentage(s) consists of the actual Fuel consumed during the Base Period, as adjusted for changes that are known and measurable with reasonable accuracy, expressed as Dth.
- D. Additional System Balance Activity. Any other volumes, expressed in Dth (either an actual or estimate), to be included to come to a total System Gas Balance.
- E. The total actual current FL&U Reimbursement Percentage(s) will be calculated by summing up the Dth in A, B, C, and D above and dividing by the total estimated receipt volumes for the System.
- F. Transactions that are not assessed the maximum FL&U Reimbursement Percentage(s) hereunder shall not be included in the calculations of the FL&U Reimbursement Percentage(s).

38.5 UNRECOVERED FL&U REIMBURSEMENT ACCOUNT

Transporter shall establish and maintain a current deferral sub-account of unrecovered FL&U for each zone or facility for which a FL&U% is charged.

- A. The accumulated current deferral sub-account balances of Account No. 182.3 may include the following:
  - (1) The Monthly deferral of a dollar amount associated with Transporter's actual under- or over-recovered FL&U;
  - (2) Appropriate prior period adjustments to activity, if any;
  - (3) Transfers of any unamortized amounts remaining in a deferral sub-account of Account No. 182.3 to the next sub-account after the related surcharge amortization period has expired;

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GENERAL TERMS AND CONDITIONS

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT (Contd.)

38.5 UNRECOVERED FL&U REIMBURSEMENT ACCOUNT (Contd.)

A. (Contd.)

- (4) Actual carrying charges on the current deferral and amortizing sub-accounts, taking into account the prior Month's balance, actual deferred income taxes, the effective annual FERC-approved interest rate prescribed in Section 154.501 of the FERC's Regulations and quarterly compounding of interest charges; and
- (5) Estimated carrying charges on the sub-account to be amortized, as applicable, which will be calculated taking into account the projected average balance for the applicable period, projected applicable interest rate, quarterly compounding of interest charges and the applicable accumulated deferred income tax.

B. The Monthly deferral of a dollar amount associated with Transporter's actual under- or over-recovered FL&U for each zone or facility for which a FL&U% is charged shall be calculated as follows:

- (1) Transporter shall determine the actual FL&U incurred that Month, to be stated in dollars. The Actual FL&U volume is multiplied by the MIP for the applicable Month to determine the dollar amount for actual FL&U.
- (2) Transporter shall then determine the amount of FL&U Reimbursement recovered ("FLURR"), stated in dollars, as follows: the amount of FLURR shall be determined by multiplying the Current FL&U Reimbursement Percentage in effect during the deferral Month, by the appropriate actual quantities of total receipt quantities during the Month. The quantities of FLURR recovered in-kind will be multiplied by the MIP for the applicable Month to determine the dollar amount for the FLURR.
- (3) The Monthly deferral cost amount shall be determined by taking the difference between the dollar amounts derived in Section 38.5B(1) and (2), herein. The resulting amounts shall be reflected in Transporter's current deferral sub-account. Transactions that are not assessed the maximum FL&U percentage hereunder shall not be included in the calculations of the actual under- or over-recovered FL&U sub-account.

GENERAL TERMS AND CONDITIONS

38. PERIODIC RATE ADJUSTMENT (PRA) - FL&U REIMBURSEMENT (Contd.)  
38.5 UNRECOVERED FL&U REIMBURSEMENT ACCOUNT (Contd.)

C. After each current deferred sub-account has twelve (12) Months of activity, as referenced in 38.5A above, a Volumetric Amortization Percentage ("VAP") will be calculated such that each current deferred account will be amortized in the following twelve (12) Month period. The VAP will be calculated by taking the final dollar balance from the current deferred sub-account and dividing this amount by the WAMIP associated with the applicable deferred sub-account referenced in 38.5A, and this proceeding mathematical product will be divided by the sum of the final nine (9) Months of the estimated next twelve (12) Month receipt volumes to come up with the Volumetric Amortization Percentage. To amortize the applicable deferred sub-account balance ("ADSB"), the VAP will be applied by taking the current receipt volume multiplied by the WAMIP associated with applicable deferred sub-account referenced in 38.5A. Any residual amount left in the applicable deferred sub-account balance after applying the ADSB will be transferred to the next deferred sub-account balance.

38.6 EFFECTIVE DATE

The newly derived FL&U Reimbursement Percentage(s) will be applicable to Receipt Quantities beginning on the Effective Date and shall be revised hereunder on a periodic basis as set out in Section 38.3.

39. THIRD PARTY IMBALANCE MANAGEMENT

- 39.1 Transporter shall accommodate Third Party Imbalance Management Services on a non-discriminatory basis as long as these services comply with applicable NAESB Standards and do not adversely impact Transporter's System operations. These services may be used to manage Imbalances between actual receipts and deliveries; to manage variances between scheduled and actual deliveries; and to supply Gas for Overruns.
- 39.2 Criteria for Third Party Services will include compliance with the NAESB Nominations and Confirmation Time Lines, and meeting Transporter credit requirements appropriate for the quantity of Shipper Imbalance Gas for which such Third Party may be responsible.

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Original Sheet No. 280 Original Sheet No. 280 : Effective

GENERAL TERMS AND CONDITIONS

39. THIRD PARTY IMBALANCE MANAGEMENT

- 39.3 Transporter and Third Party Provider must enter an Agreement which defines how such provider will accommodate Shipper's Imbalances, scheduling variances, or Overruns, how the provider is to make the corresponding operational changes, the limitations on the level of Imbalances, scheduling variances and Overruns to be accommodated and the consequences if such levels are exceeded or operational changes are not made. The Agreement must provide Transporter with the ability to call on the third-party provider on a basis consistent with service offered by the third-party provider to the Shipper. The Agreement must also specify a predetermined allocation methodology and shall specify the extent to which and the conditions under which the Shipper shall be kept whole because the third-party provider is agreeing to take the Imbalance, scheduling variance or Overrun. If there is an OBA at the Point at which the Imbalance management service is to be provided, the Agreement must also provide that Transporter shall not be responsible for Balancing within the agreed limits of the management service.
- 39.4 Transporter and Shipper must enter an agreement which designates the Service Agreements for which the third-party provider will take the Imbalance, scheduling variance, or Overrun and designating the Point(s) at which the third-party provider will provide the Imbalance management service. The Point(s) designated must have electronic real-time metering or must be otherwise agreeable to Transporter.
- 39.5 The conditions set forth in this Section 39 are minimum conditions that all third-party providers and Shippers utilizing such services must satisfy. When a specific third-party management service is proposed, Transporter may require the third-party provider and Shipper to satisfy additional conditions. Transporter shall not be obligated to enter into any agreement to accept Third-Party Imbalance Management Services which would, in Transporter's reasonable judgment, impair its ability to meet its existing System requirements or which would not relieve Transporter of the need to manage (to the extent of the third-party services) the Shipper's Imbalances, scheduling variances and Overruns.

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**Original Sheet No. 281** Original Sheet No. 281 : Effective

GENERAL TERMS AND CONDITIONS

39. THIRD PARTY IMBALANCE MANAGEMENT

39.6 Absent any other arrangements made by Shipper with Transporter, in the event a Shipper purchases Third Party Imbalance Management Services, and the Third Party Provider fails in whole or in part to provide those services, and an Imbalance results, Shipper will be deemed to have received PAL Service and will pay Transporter the maximum PAL Service rate pursuant to this FERC Gas Tariff, plus any additional costs incurred by Transporter to provide the services. If PALS is unavailable, Shipper may be subject to Overrun Service Charges reflective of the service(s) provided.

39.7 To the extent Transporter is unable to collect from the Shipper costs, expenses or liabilities incurred by Transporter due to the Third Party Provider's failure to provide the Imbalance Management Services, Transporter may pursue collection of any insufficiency from the Third Party Provider.

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*FERC Docket: CP06-354-002*

**Sheet Nos. 282 - 399** Sheet Nos. 282 - 399 : Effective

(Sheet Nos. 282 through 399 are reserved for future use.)

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**Second Revised Sheet No. 400** Second Revised Sheet No. 400  
Superseding: First Revised Sheet No. 400

FORM OF TRANSPORTATION SERVICE AGREEMENT Contract No. \_\_\_\_\_  
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER  
RATE SCHEDULE FTS

In consideration of the representations, covenants and conditions contained below, Rockies Express Pipeline LLC ("Transporter") and Shipper agree, as of [DATE] , that Transporter will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of Transporter's FERC Gas Tariff, as revised from time-to-time ("the Tariff"), and the terms, conditions and signatures of Shipper's electronic agreement with Transporter.

1. THIS AGREEMENT IS: (Check one)  
effective \_\_\_(Date)\_\_\_ and is the original contract.  
effective \_\_\_(Date)\_\_\_ and amends and restates (Amendment No. \_\_\_\_\_)  
FTS Contract No. \_\_\_\_\_ effective \_\_\_(date)\_\_\_
  
2. SHIPPER'S NAME AND ADDRESS:
  
  
  
  
  
  
  
  
  
  
3. TERM OF SERVICE: (Date, period of time or event) to (Date, period of time or event)\_\_\_
  
4. SHIPPER'S STATUS:  
Local Distribution Company  
Intrastate Pipeline Company  
Interstate Pipeline Company  
Other: \_\_\_\_\_
  
5. TRANSPORTATION ON BEHALF OF:  
Local Distribution Company  
Intrastate Pipeline Company  
Interstate Pipeline Company  
Other: \_\_\_\_\_
  
6. RATE SCHEDULE FTS Maximum Daily Quantity ("MDQ"):  

|                                    |          |
|------------------------------------|----------|
| (Date, Period<br>Of Time or Event) | MDQ_____ |
| _____                              | _____    |
| _____                              | _____    |
| _____                              | _____    |
  
7. PRIMARY RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ"):  

|                                    |       |          |           |                                     |
|------------------------------------|-------|----------|-----------|-------------------------------------|
| (Date, Period<br>Of Time or Event) | PIN # | PIN Name | MDRQ_____ | By Displacement Only<br>(Yes or No) |
| _____                              | _____ | _____    | _____     | _____                               |
| _____                              | _____ | _____    | _____     | _____                               |

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FERC Docket: RP10-474-000

**Second Revised Sheet No. 401** Second Revised Sheet No. 401  
Superseding: First Revised Sheet No. 401

FORM OF TRANSPORTATION SERVICE AGREEMENT Contract No. \_\_\_\_\_  
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER  
RATE SCHEDULE FTS  
(Continued)

8. PRIMARY DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ"):

| (Date, Period<br>Of Time or Event) | PIN # | PIN Name | MDDQ _____ | By Displacement Only<br>(Yes or No) |
|------------------------------------|-------|----------|------------|-------------------------------------|
| _____                              | _____ | _____    | _____      | _____                               |
| _____                              | _____ | _____    | _____      | _____                               |

9. DELIVERY PRESSURE (Pursuant to Section 19.2 of the General Terms and Conditions of the Tariff: "...at the pressure available... [or] allowing for agreement by Transporter to alternate minimum or maximum pressures."):

10. RATES:

Reservation Rate: (Pursuant to Section 5.1(a) of Rate Schedule FTS of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Sections 12.6 and 33, respectively, of the General Terms and Conditions of the Tariff.

Commodity Rate: (Pursuant to Section 5.1(b) of Rate Schedule FTS of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 33 of the General Terms and Conditions of the Tariff.

FL&U Reimbursement Percentage: (Pursuant to Section 5.2 of Rate Schedule FTS of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, pursuant to Section 38 of the General Terms and Conditions, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 33 of the General Terms and Conditions of the Tariff.

Incremental Facility Charge:  
(Pursuant to Section 5.3(B) of Rate Schedule FTS of the Tariff)  
\_\_\_\_\_  
None  
\_\_\_\_\_  
Lump-sum payment of \_\_\_\_\_  
\_\_\_\_\_  
Monthly fee of \_\_\_\_\_ through (date, period of time or event).

11. RIGHT OF FIRST REFUSAL PROVISIONS (pursuant to Section 17.3 of the General Terms and Conditions of the Tariff). (Check one):

\_\_\_\_\_  
Not Applicable  
\_\_\_\_\_  
Applicable (Complete the following):

Notice of ROFR Exercise:  
\_\_\_\_\_  
Per the Tariff; or \_\_\_\_\_ Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

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**First Revised Sheet No. 402** First Revised Sheet No. 402  
Superseding: Original Sheet No. 402

FORM OF TRANSPORTATION SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER  
RATE SCHEDULE FTS  
(Continued)

Contract No: \_\_\_\_\_

12. ROLLOVER PROVISIONS (pursuant to Section 17.2 of the General Terms and Conditions of the  
Tariff). (Check one):

\_\_\_\_\_ Not Applicable  
\_\_\_\_\_ Applicable (Complete the following):

Notice of Rollover Exercise:  
\_\_\_\_\_ Per the Tariff; or \_\_\_\_\_ Day(s) in advance of (i)  
the end of the primary term or (ii) any termination date  
after the primary term has ended.

13. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC  
Attn: Marketing  
370 Van Gordon Street  
P.O. Box 281304  
Lakewood, CO 80228-8304  
e-mail: WRGP@kindermorgan.com

Shipper Approval:

Transporter Approval:

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

TRANSPORTER: Rockies Express Pipeline LLC

SIGNATURE:

SIGNATURE:

TITLE:

TITLE:

*Effective Date: 09/01/2007 Status: Effective*

*FERC Docket: CP06-354-002*

**Sheet Nos. 403 - 409** Sheet Nos. 403 - 409 : Effective

Sheet Nos. 403 through 409 are reserved for future use.



Effective Date: 09/12/2009 Status: Effective  
FERC Docket: RP09-890-000

**First Revised Sheet No. 411** First Revised Sheet No. 411  
Superseding: Original Sheet No. 411

FORM OF TRANSPORTATION SERVICE AGREEMENT CONTRACT NO: \_\_\_\_\_  
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION SERVICE UNDER  
RATE SCHEDULE ITS  
(Continued)

8. RATES:

Commodity Rate:  
(Pursuant to Section 5.1(A) of Rate Schedule ITS of the Tariff)  
Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate (pursuant to Sections 12.6 and 33, respectively, of the General Terms and Conditions of the Tariff).

FL&U Reimbursement Percentage:  
(Pursuant to Section 5.2 of Rate Schedule ITS of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, pursuant to Section 38 of the General Terms and Conditions, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 33 of the General Terms and Conditions of the Tariff.

Incremental Facility Charge:  
(Pursuant to Section 5.3(B) of Rate Schedule ITS of the Tariff)  
\_\_\_\_\_ None  
\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_  
\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through (date, period of time or event).

9. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC  
Attn: Marketing  
370 Van Gordon Street  
P.O. Box 281304  
Lakewood, CO 80228-8304  
E-mail: WRGP@kindermorgan.com

Shipper Approval:

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

SIGNATURE:

TITLE:

Transporter Approval:

TRANSPORTER: Rockies Express Pipeline LLC

SIGNATURE:

TITLE:

*Effective Date: 09/12/2009 Status: Effective*

*FERC Docket: RP09-890-000*

**First Revised Sheet No. 412** First Revised Sheet No. 412

Superseding: Original Sheet No. 412

This sheet is reserved for future use.

*Effective Date: 09/01/2007 Status: Effective*

*FERC Docket: CP06-354-002*

**Sheet Nos. 413 - 419** Sheet Nos. 413 - 419 : Effective

Sheet Nos. 413 - 419 are reserved for future use.

Effective Date: 09/01/2007 Status: Effective  
FERC Docket: CP06-354-002

Original Sheet No. 420 Original Sheet No. 420 : Effective

[FOR RATE SCHEDULE PALS]

Contract No.  
ROCKIES EXPRESS PIPELINE LLC (TRANSPORTER)  
PARK AND LOAN SERVICE 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) (The total of all MDQ RO can never exceed this quantity.)
4. TERM: through and Month to Month thereafter until terminated by prior written notice by either party; provided, however, that Shipper may terminate this Agreement prior to its expiration subject to payment of a mutually agreed exit fee. Termination shall not discharge any obligations accrued prior to such termination.
5. Service will be ON BEHALF OF: Shipper or Other:
6. SHIPPER'S ADDRESSES TRANSPORTER'S ADDRESSES
7. This Agreement supersedes and cancels a Agreement dated Other:
8. PALS Request Order: The form of the PALS RO 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 RO may specify a range for the quantity and term of a Park and Loan. A single PALS RO may cover both a park and loan within limits specified.
9. PARK AND LOAN QUANTITY:
  - (i) Park Service: shall consist of Transporter's receipt of a quantity of Gas at the designated Receipt Point(s) on the designated date(s), requested by Shipper under a PALS RO and approved by Transporter; Transporter's holding of such parked quantity of Gas for Shipper's account and Transporter's redelivery of the parked quantity of Gas to Shipper at the designated Delivery Point(s) and on the designated date(s) set forth in such PALS RO.
  - (ii) Loan Service: shall consist of Transporter lending a specified quantity of Gas, requested by Shipper and approved by Transporter, from designated Delivery Point(s) set forth in Shipper's PALS RO and the Shipper's redelivery of and Transporter's acceptance of such volumes for Shipper's account at the designated Receipt Point(s) on the designated date(s) set forth in such PALS RO.

Effective Date: 09/12/2009 Status: Effective  
FERC Docket: RP09-890-000

**First Revised Sheet No. 421** First Revised Sheet No. 421  
Superseding: Original Sheet No. 421

[FOR RATE SCHEDULE PALS] Contract No.  
ROCKIES EXPRESS PIPELINE LLC (TRANSPORTER)  
PARK AND LOAN SERVICE AGREEMENT  
DATED  
UNDER SUBPART OF PART 284 OF THE FERC'S REGULATIONS  
(CON'T)

10. RATES:

Except as otherwise provided below or in any written agreement(s) between the parties in effect during the term hereof, or pursuant to Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time, Shipper shall pay Transporter the applicable maximum rate(s) and all other lawful charges as specified in Transporter's applicable rate schedule. Shipper and Transporter 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. Transporter 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, MAQ or commodity volumes) under the agreement; that a specified discounted rate will apply only if specified volumes are achieved or 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 or other defined geographical area(s); and/or that a specified discounted rate(s) will apply in a specified relationship to the volumes actually tendered. If the parties agree upon a rate other than the applicable maximum rate, such written Agreement(s) 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. In the event that the parties agree upon a Negotiated Rate, this Agreement shall be subject to Section 33 of the General Terms and Conditions of Transporter's Tariff.

11. The above-stated Rate Schedule, as revised from time-to-time, controls this Agreement and is incorporated herein. The attached 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 Transporter if Transporter must provide them to the FERC.

Agreed to by:

|             |         |
|-------------|---------|
| Transporter | SHIPPER |
| BY:         | BY:     |
| NAME:       | NAME:   |
| TITLE:      | TITLE:  |

Effective Date: 09/01/2007 Status: Effective  
FERC Docket: CP06-354-002

Original Sheet No. 422 Original Sheet No. 422 : Effective

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 Daily Quantity (Dth)  
(May Reflect a Range of Dates) (May Reflect a Range of Volumes)

| From    | Through | Park or Loan Payback | Loan or Park Withdrawal |         |         |
|---------|---------|----------------------|-------------------------|---------|---------|
| Minimum | Maximum | Minimum              | Maximum                 | Maximum | Minimum |

Rates: Rates may vary based on volume, time period, etc., as set out in the Pro Forma Service Agreement.  
Park or Loan Payback = volumes which Transporter RECEIVES from Shipper.  
Park or Loan Withdrawal = volumes which Transporter DELIVERS to Shipper.

Initial Rate:  
Completion Rate:  
Park/Loan Balance Rate:

Service will be ON BEHALF OF:  
Shipper [ ] or Other [ ] , a  
SHIPPER'S CONTACT AND ADDRESS

Phone: Fax:  
Other Conditions (if any):  
Agreed to by:  
TRANSPORTER SHIPPER

BY: BY:  
NAME: NAME:  
TITLE: TITLE:



Effective Date: 09/12/2009 Status: Effective  
FERC Docket: RP09-890-000

**First Revised Sheet No. 424** First Revised Sheet No. 424  
Superseding: Original Sheet No. 424

FORM OF SERVICE AGREEMENT Contract No. \_\_\_\_\_  
APPLICABLE TO POOLING AND WHEELING SERVICE UNDER  
RATE SCHEDULE PAWS  
(Continued)

8. RATES:

Commodity Rate:  
(Pursuant to Section 5 of Rate Schedule PAWS of the Tariff)  
Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate (pursuant to Sections 12.6 and 33, respectively, of the General Terms and Conditions of the Tariff.)

L&U Reimbursement Percentage:  
(Pursuant to Section 5.2(B) of Rate Schedule PAWS of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, pursuant to Section 38 of the General Terms and Conditions, unless otherwise agreed to in writing as a negotiated rate (pursuant to Section 33 of the General Terms and Conditions of the Tariff.)

Incremental Facility Charge:  
(Pursuant to Section 5.3(B) of Rate Schedule PAWS of the Tariff)  
\_\_\_\_\_ None  
\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_  
\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through (date, period of time or event).

9. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC  
Attn: Marketing  
370 Van Gordon Street  
P.O. Box 281304  
Lakewood, CO 80228-8304  
E-mail: WRGP@kindermorgan.com

Shipper Approval:

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

SIGNATURE:

TITLE:

Transporter Approval:

TRANSPORTER: Rockies Express Pipeline LLC

SIGNATURE:

TITLE:

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-474-000

**Second Revised Sheet No. 425** Second Revised Sheet No. 425

CONTRACT NO: \_\_\_\_\_

FORM OF INTERRUPTIBLE BALANCING SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE BALANCING SERVICE UNDER  
RATE SCHEDULE IBS

In consideration of the representations, covenants and conditions contained below, Rockies Express Pipeline LLC ("Transporter") and Shipper agree, as of [Date] , that Transporter will provide interruptible balancing service for Shipper in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of Transporter's FERC Gas Tariff ("the Tariff"), as revised from time-to-time, and the terms, conditions and signatures of Shipper's electronic agreement with Transporter.

1. THIS AGREEMENT IS: (Check one)  
effective \_\_\_(Date)\_\_\_ and is the original contract.  
effective \_\_\_(Date)\_\_\_ and amends and restates (Amendment No. \_\_\_\_\_)  
IBS Contract No. \_\_\_\_\_ effective \_\_ (Date) \_\_
2. LINKED TRANSPORTATION AGREEMENT: \_\_\_\_\_
3. IDENTIFICATION OF END-USE FACILITY AND/OR LDC SERVICE AREA:  
\_\_\_\_\_
4. SHIPPER'S NAME AND ADDRESS:  
\_\_\_\_\_
5. TERM OF SERVICE: (Date, period of time or event) \_\_\_\_\_ with a  
Month-to-Month renewal term. Termination will become effective upon  
14 days written notice.
6. SHIPPER'S STATUS:  
Local Distribution Company  
End-User
7. BALANCING ON BEHALF OF:  
Local Distribution Company  
End-User
8. RATE SCHEDULE IBS DELIVERY POINT, MAXIMUM DAILY QUANTITY ("MDQ") &  
CUMULATIVE BALANCE:

| (Date, Period<br>Of Time or Event) | PIN# | PIN Name | Park<br>MDQ | Cumulative<br>Park Balance | Loan<br>MDQ | Cumulative<br>Loan<br>Balance |
|------------------------------------|------|----------|-------------|----------------------------|-------------|-------------------------------|
|------------------------------------|------|----------|-------------|----------------------------|-------------|-------------------------------|

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-474-000

Original Sheet No. 426 Original Sheet No. 426

CONTRACT NO: \_\_\_\_\_

FORM OF INTERRUPTIBLE BALANCING SERVICE AGREEMENT  
RATE SCHEDULE IBS (Continued)

9. DELIVERY PRESSURE (Pursuant to Section 19.2 of the General Terms and Conditions of the Tariff: "...at the pressure available... [or] allowing for agreement by Transporter to alternate minimum or maximum pressures.")

10. RATES:

Daily Access Rate:  
(Pursuant to Section 5.2 of Rate Schedule IBS of the Tariff)

Park/Loan Daily Balance Rate:  
(Pursuant to Section 6.5 of Rate Schedule IBS of the Tariff)

Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate (pursuant to Sections 12.6 and 33, respectively, of the General Terms and Conditions of the Tariff).

Incremental Facility Charge:  
(Pursuant to Section 5.9(B) of Rate Schedule IBS of the Tariff)  
\_\_\_\_ None  
\_\_\_\_ Lump-sum payment of \_\_\_\_\_  
\_\_\_\_ Monthly fee of \_\_\_\_\_ through (Date, period of time or event).

11. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC  
Attn: Marketing  
370 Van Gordon Street  
P.O. Box 281304  
Lakewood, CO 80228-8304  
E-mail: WRGP@kindermorgan.com

Shipper Approval:  
SHIPPER: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

Transporter Approval:  
TRANSPORTER: Rockies Express Pipeline LLC  
SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

