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FERC GAS TARIFF

Original Volume No. 1

Crossroads Pipeline Company

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FERC GAS TARIFF

Original Volume No. 1

of

CROSSROADS PIPELINE COMPANY

FILED WITH THE

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff  
should be addressed to:

James R. Matura  
Sales Manager  
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PRELIMINARY STATEMENT

Crossroads Pipeline Company ("Crossroads," "Crossroads Pipeline" or "Transporter") is a wholly-owned second tier subsidiary of NIPSCO Industries, Inc., and is organized under the laws of the State of Indiana. As of the effective date hereof, Crossroads is a natural gas company which owns and operates a pipeline system known as the Crossroads Pipeline, the principal purpose of which is to transport natural gas owned by shippers from any points along Crossroads Pipeline route to various points of delivery along the Crossroads Pipeline route, which extends from a point near Schererville, Indiana, approximately 202 miles east to a point near Cygnet, Ohio.

Crossroads Pipeline will perform contract transportation service only under written service agreements pursuant to the Blanket Certificate of Public Convenience and Necessity issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") to Crossroads for the activities specified in Part 284 of the FERC's Regulations as amended from time to time, after consideration of its commitments to others, delivery capacity and other pertinent factors.

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STANDARDS OF CONDUCT FOR INTERSTATE  
PIPELINES WITH MARKETING AFFILIATES

This section implements the requirements of FERC Order Nos. 497, et.  
seq.

1. OPERATING PERSONNEL AND FACILITIES SHARED WITH MARKETING  
AFFILIATES

Crossroads Pipeline provides the following information regarding  
operating personnel and facilities shared with marketing  
affiliates. Crossroads has four marketing affiliates: NIPSCO  
Energy Trading Company ("NETCO"), NI-TEX, Inc. ("NI-TEX"), NESI  
Energy Marketing, L.L.C. ("NEM"), and Northern Indiana Public Service  
Company ("Northern Indiana").

1.1 Operating Personnel

Crossroads shares no operating personnel with any of its  
marketing affiliates.

1.2 Facilities

Crossroads is located in the same building with its three marketing  
affiliates, NETCO, NI-TEX and NEM, which is located at 801 East 86th  
Avenue, Merrillville, Indiana 46410. Crossroads is located on the  
same floor as certain administrative employees of Northern Indiana  
in the building located at 801 East 86th Avenue, Merrillville,  
Indiana 46410.

[The rest of this sheet has been left blank intentionally.]

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[System Map]

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 Superseding: Substitute Sixth Revised Sheet No. 6

STATEMENT OF RATES AND CHARGES  
 (PER Dth)

|                                    | Maximum      | Rate    | Minimum  |
|------------------------------------|--------------|---------|----------|
| FIRM TRANSPORTATION SERVICE (FT-1) |              |         |          |
| Rate Schedule FT-1:                |              |         |          |
| Reservation Charge:                | \$3.3238     |         | \$0.0000 |
| Commodity Charge:                  | \$0.0000     |         | \$0.0000 |
| INTERRUPTIBLE SERVICE (IT-1)       |              |         |          |
| Rate Schedule IT:                  |              |         |          |
| Commodity Charge:                  | \$0.1093     |         | \$0.0000 |
|                                    | Rate Per Dth | Per Day |          |
|                                    | Maximum      | Minimum |          |
| GAS PARKING SERVICE (GPS)          | \$0.1093     |         | \$0.0000 |
| GAS LENDING SERVICE (GLS)          | \$0.1093     |         | \$0.0000 |

ALL RATE SCHEDULES:

In addition to the above rates and charges, all Shippers shall be assessed applicable ACA and GRI surcharges.

[GRI Surcharge]

To be charged pursuant to Section 25 of the General Terms and Conditions

[ACA Surcharge]

A unit rate of \$0.0021 per Dth shall be charged pursuant to Section 26 of the General Terms and Conditions.

For releases that are subject to the maximum tariff rate, the maximum firm volumetric rate applicable to capacity release transactions where the releasing customer's notice provides for bids on a volumetric basis is \$0.1093 per Dth per day exclusive of surcharges, which is the 100% load factor equivalent of the Rate Schedule FT-1 Reservation Charge.

RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for firm transportation service authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission ("FERC or "Commission"), by Crossroads Pipeline Company ("Crossroads" or "Transporter") for any person ("Shipper"), subject to: (1) the availability of uncommitted firm capacity sufficient to effectuate such transportation; (2) submission by Shipper and acceptance by Crossroads of a valid Request for Transportation which is in accordance with the provisions of Section 6 of the General Terms and Conditions for Transportation Service of Crossroads' FERC Gas Tariff, of which this Rate Schedule is part; (3) the prior execution by Crossroads and Shipper of the effective form of Service Agreement for this Rate Schedule; and (4) the effective requirements stated in this Rate Schedule, the General Terms and Conditions of Service, and any other applicable provisions of Crossroads' FERC Gas Tariff, of which this Rate Schedule is part, or otherwise established by orders, rules, and regulations of the Commission.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule applies to all gas transported by Crossroads for Shipper pursuant to an executed Service Agreement for service hereunder. Transportation service under this Rate Schedule shall be firm up to the Maximum Daily Quantity ("MDQ") of gas tendered for transportation hereunder by Shipper plus an amount reflecting the Gas Reimbursement Quantity ("GRQ") as defined in Section 15 of the General Terms and Conditions of this Tariff. Service up to the MDQ shall not be subject to intentional curtailment or interruption by Crossroads except as provided herein and in the General Terms and Conditions of this Tariff.

Crossroads is not obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

Crossroads will afford an existing long-term firm transportation shipper with a contract of 1 year or more a right of first refusal to continue such firm service if such shipper agrees to match the price and length of contract term offered by another shipper.

**Second Substitute Original Sheet No. 8** Second Substitute Original Sheet No. 8 : Effective  
Superseding: Substitute Original Sheet No. 8

3. RATES AND CHARGES

The rates and charges for service under this Rate Schedule shall include on a monthly basis, each of the effective rates, fees and charges, as set forth in this Section 3 and as may hereafter be modified, superseded, or replaced.

3.1 Reservation Charge

Crossroads' firm transportation reservation charge is designed using the straight-fixed variable method of rate design. Shipper's monthly Reservation Charge shall be Shipper's firm MDQ, as stated in Shipper's executed Service Agreement(s) multiplied by the Reservation Charge rate set forth in the Service Agreement(s), which shall not exceed the maximum Reservation Charge rate set forth on Sheet No. 6 of this Tariff.

Shipper shall be liable for the Reservation Charge for each month for the term of its Service Agreement. Reservation Charges are subject to pro rata reductions for the first and last months to reflect any days of that month on which service was not contracted to be available.

3.2 Commodity Charge

Shipper's monthly Commodity Charges shall be the product of the Commodity Charge set forth in the Service Agreement, which shall not exceed the maximum Commodity Charge rate as set forth on Sheet No. 6 of this Tariff, multiplied by the total dekatherms delivered to or for the account of Shipper during the month.

3.3 Fuel, Losses, and Unaccountables

Shipper shall reimburse Crossroads in kind for gas used for utility purposes, including but not limited to compressor fuel, if any, line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity not caused by Crossroads' negligence) in the operation of Crossroads' Pipeline system. Shipper shall effect such in kind reimbursement by tendering to Crossroads for transportation by Crossroads an amount of gas at Shipper's Point(s) of Receipt which includes a Gas Reimbursement Quantity ("GRQ"). The GRQ shall be determined by multiplying the amount of gas scheduled to be delivered by Shipper to Crossroads for transportation by Crossroads by the Gas Reimbursement Percentage ("GRP") as quantified pursuant to Section 15 of the General Terms and Conditions of this Tariff.

3.4 Other Applicable Charges

In addition to the charges set forth herein, Shipper shall pay all applicable GRI, ACA and other surcharges, if any, as set forth in the General Terms and Conditions of this Tariff.

3.5 Range of Rates

- (a) The rates and charges stated in Section 3.1 through 3.4 herein and applicable to a Shipper for service hereunder shall be the applicable Maximum Rates as set forth on the effective Tariff Sheet No. 6 of this Volume, except as otherwise agreed upon in writing by Crossroads and Shipper under the terms of the applicable Service Agreement. In the event an amount less than the applicable Maximum Rates and not less than the applicable Minimum Rates is agreed upon in writing by Crossroads and Shipper, such amount shall apply prospectively and Crossroads shall be responsible for compliance with any reporting requirements prescribed by the Commission.
- (b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

3.6 Reimbursement of Filing Fees

Shipper shall reimburse Crossroads promptly for any and all filing or reporting fees that are assessed by any governmental agency and paid by Crossroads in conjunction with service rendered hereunder.

Any reimbursement due Crossroads by Shipper pursuant to this Section 3.6 shall be due and payable to Crossroads within fifteen (15) days of the date Crossroads invoices Shipper for such fees.

3.7 Determination of Deliveries

Crossroads shall not be obligated to deliver to Shipper a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper pursuant to Section 3.3 of Rate Schedule FT-1, all as computed on a thermally equivalent basis.

3.8 Imbalance and Scheduling Penalties

(a) Daily Balancing

A penalty as stated in paragraph (b) below, shall be levied daily by Crossroads and paid monthly by any Shipper who, upon notification by Crossroads of the existence of an overage in receipts and/or

**Substitute Original Sheet No. 10** Substitute Original Sheet No. 10 : Effective  
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deliveries at any of the Shipper's designated Point(s) of Receipt and/or Delivery on any day, fails to correct such overage on a prospective basis within 24 hours after receipt by Shipper of Crossroads' notification. Notification may be by facsimile or telephone and is effective when given. Such penalty shall apply on an individual Service Agreement basis. Nothing herein shall limit Crossroads' right to take such actions of whatever nature as may be required to correct a daily imbalance which threatens the integrity of Crossroads' system, including maintenance of service to other Shippers. The applicable penalty shall be applied to the quantities which exceed the limits specified below, on a prospective basis, beginning on the gas day following initial notification by Crossroads, in the following instances:

- (i) Shipper delivers or causes to be delivered to Crossroads on any day a quantity which, after appropriate reductions, exceeds Shipper's firm MDQ by more than 10%, unless Shipper and Crossroads have agreed to a scheduled Authorized Overrun pursuant to Section 7 hereof; or
- (ii) Shipper delivers or causes to be delivered to Crossroads on any day a quantity which, after appropriate reductions, exceeds the quantities taken from Crossroads by more than 10%; or
- (iii) The Shipper takes quantities from Crossroads on any day which exceed the quantities received by Crossroads from Shipper by more than 10% after appropriate reductions.

(b) Daily Balancing Penalty

As to paragraphs (a) (i) and (a) (ii) above, the penalty shall be the retention by Crossroads of the total quantity of gas exceeding the 10% limit specified therein and payment by Crossroads to Shipper of an amount equal to the percentage listed below of the spot price for Midwest Delivered to Utility as published each week in Natural Gas Week's "Gas Price Report" multiplied by the quantity of gas delivered in excess of the 10% limit, and receipts may be suspended until such time as balance is achieved.

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**Second Substitute Original Sheet No. 11** Second Substitute Original Sheet No. 11 : Effective  
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| Imbalance        | Percent of Spot Price |
|------------------|-----------------------|
| 10% to 15%       | 90%                   |
| above 15% to 20% | 80%                   |
| above 20% to 25% | 70%                   |
| above 25% to 30% | 60%                   |
| above 30%        | 50%                   |

As to paragraph (a)(iii) above, the penalty shall be the purchase by Shipper from Crossroads of the total quantity of gas exceeding the 10% limit specified herein at a price equal to the percentage listed below of the spot price for Midwest Delivered to Utility as published each week in Natural Gas Week's "Gas Price Report" for the period in which the imbalance occurred, plus applicable transportation charges for such quantities for delivery to Crossroads at its interconnect with Trunkline Gas Company at Lapaz, Indiana and deliveries may be suspended until such time as balance is achieved.

| Imbalance        | Percent of Spot Price |
|------------------|-----------------------|
| 10% to 15%       | 110%                  |
| above 15% to 20% | 120%                  |
| above 20% to 25% | 130%                  |
| above 25% to 30% | 140%                  |
| above 30%        | 150%                  |

(c) Monthly Imbalance Cash Out

At the end of each month Crossroads will determine the sum of the daily imbalances under each of Shipper's Service Agreements. If the sum of Shipper's daily imbalances under each Service Agreement is not zero at the end of the month, the sum of the daily imbalances shall be cashed out as specified in paragraph (b) above, for Daily Balancing. Shipper may net imbalances for the same service over the course of a month to minimize any imbalance cash out. Imbalance statements will be generated no later than Shipper's monthly transportation invoice.

(d) Scheduling Penalties

- (i) If the quantity of gas which Crossroads, at Shipper's request, has scheduled for delivery at any of the Shipper's

**Second Substitute Original Sheet No. 12** Second Substitute Original Sheet No. 12 : Effective  
Superseding: Substitute Original Sheet No. 12

designated Point(s) of Delivery on any day exceeds the quantities actually taken by Shipper by 10% or more of the scheduled quantity at such designated Point(s) of Delivery for that day, the penalty shall be the equivalent of the maximum interruptible transportation rate under Rate Schedule IT-1 multiplied by the amount by which the quantity scheduled for delivery, minus 10%, exceeds the actual quantity taken by Shipper. Crossroads shall notify Shipper of such failure to take scheduled quantities; however, Shipper's obligation to pay the applicable penalty shall not be affected by such notification or lack of such notification.

(ii) If the quantity of gas which Crossroads, at Shipper's request, has scheduled for receipt at any of the Shipper's designated Receipt Point(s) on any day exceeds the quantities actually received by Crossroads at such designated Point(s) of Receipt for or on behalf of Shipper by 10% or more of the scheduled quantity for that day, the penalty shall be the equivalent of the maximum transportation rate under Rate Schedule IT-1 multiplied by the amount by which the quantity scheduled for receipt minus 10% exceeds the quantity actually received.

(iii) If Shipper over or underschedules receipts or deliveries as described in (i) or (ii) above, but such over or underschedules have no effect on Crossroads' ability to provide its certificated services, to meet its certificate, contract, or tariff obligations, or to maintain the operational reliability and integrity of its system, and do not impose any material costs on Crossroads, Crossroads may in its sole discretion waive all or part of a penalty incurred by Shipper, provided that such waiver is granted on a non-discriminatory basis.

(e) Force Majeure

In the event that any penalty would otherwise be applicable under this Section as a direct consequence of any action or failure to take action by Crossroads, or of the failure of any facility under Crossroads' control, or of an event of force majeure directly affecting Crossroads' facilities as defined in Section 30 of the General Terms and Conditions of Crossroads' FERC Gas Tariff, the penalty shall not apply.

3.9 Unauthorized Overrun Quantities

(a) If on any day the total quantity of gas taken from Crossroads at all points of delivery under any Service Agreement exceeds Shipper's MDQ under such Service Agreement on such day and Crossroads has not authorized such excess quantity pursuant to Section 7 of Rate Schedule FT-1, then all such gas taken in excess of Shipper's MDQ shall constitute Unauthorized Overrun Quantities.

**Substitute Original Sheet No. 13** Substitute Original Sheet No. 13 : Effective  
Superseding: Original Sheet No. 13

- (b) In the event that Shipper takes Unauthorized Ovrerrun Quantities as defined in Section 3.9(a) above, Shipper shall pay Crossroads \$15 per dekatherm for all such Unauthorized Ovrerrun Quantities, in addition to the amounts otherwise payable by Shipper to Crossroads under Crossroads' applicable rate schedule and these General Terms and Conditions.

3.10 Applicable Penalties

Crossroads will assess the highest applicable penalty to any single infraction. In the event that Shipper's unauthorized takes, imbalances or failures to meet scheduled quantities would subject Shipper to more than one penalty provision under this Section 3, Crossroads shall collect only a single penalty equal to the highest applicable penalty.

3.11 Penalty Credits

Crossroads shall credit on a monthly basis to all firm Shippers any imbalance, scheduling and unauthorized overrun penalties assessed and collected from any affiliate of Crossroads in accordance with the terms of paragraphs 3.8 and 3.9 of Rate Schedule FT-1 and paragraphs 3.7 and 3.8 of Rate Schedule IT-1, the second preceding calendar month. Crossroads' credit to each individual Shipper shall be on a pro rata basis expressed as a function of the ratio of the Shipper's firm demand charges to total firm demand charges for the month for which the penalty was assessed. Any Shipper incurring an imbalance penalty during a particular month shall not be eligible to receive a credit of any such penalty. In no event may a Shipper receive penalty credits in excess of the Shipper's firm demand charges for that month for which the penalty was assessed.

4. NOMINATION AND SCHEDULING OF RECEIPTS AND DELIVERIES

All nominations are subject to confirmation by Crossroads and to confirmation by upstream suppliers and transporters and downstream transporters or Delivery Point operators.

Crossroads shall schedule Shipper's nominations in accordance with Section 13 of its General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the scheduled quantities at each of the Shipper's scheduled receipt and delivery points. If Shipper fails to comply with

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the provisions of Section 13 of the General Terms and Conditions of this Tariff, then Crossroads shall not schedule the initiation of or changes to service nominated by Shipper.

Crossroads will contact upstream suppliers and transporters to verify that gas is flowing as scheduled and reserves the right to take any other necessary action to verify that gas is flowing as scheduled. Upon request of Crossroads, Shipper shall contact its source(s) of supply and its delivery customer(s) to verify that its sources(s) flow as scheduled hereunder and that its customer(s) take delivery as scheduled hereunder. Shipper may, with the consent of Crossroads, nominate receipts or deliveries necessary to make up accumulated imbalances, but Crossroads may, at its sole discretion, withhold its consent to such schedule changes due to operating considerations.

Receipts of gas by Crossroads for transportation hereunder shall be made at a point or points on Crossroads' Pipeline system at a pressure sufficient to enter the Pipeline system, and deliveries of gas from Crossroads to or for Shipper shall be made at such point or point on Crossroads' Pipeline system as specified in the executed Service Agreement.

If the gas offered for transportation hereunder shall fail at any time to conform to the quality provisions set forth in the General Terms and Conditions of this Tariff or if such gas may cause harm to its facilities, then Crossroads shall notify Shipper of such deficiency and may, at its option, refuse to accept delivery pending correction by Shipper.

From the time the natural gas is received by Crossroads at the Point(s) of Receipt, Crossroads shall have the unqualified right to commingle such natural gas with other gas in Crossroads' system.

#### 4.1 Mid-Day Nominations

Subject to confirmation by upstream transporters and downstream Delivery Point operators, Shipper may make intraday changes to its nominated quantity, Receipt Point(s), or Delivery Point(s) as provided in Section 13 of the General Terms and Conditions of this Tariff. Crossroads may, in its sole discretion and on a non-discriminatory basis, permit additional changes in nominations in one day provided each such change is confirmed by all upstream transporters and downstream Delivery Point operators.

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**Substitute Original Sheet No. 15** Substitute Original Sheet No. 15 : Effective  
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5. OTHER OPERATING CONDITIONS

Crossroads' obligation to provide service under this Rate Schedule is subject to the following conditions being satisfied:

- 5.1 Shipper shall make all necessary arrangements with other parties at or upstream of the Point(s) of Receipt where Shipper tenders gas to Crossroads for transportation, and at or downstream of the Point(s) of Delivery where Crossroads delivers gas for Shipper's account, and such arrangements must be compatible with Crossroads' system operations.
- 5.2 Crossroads shall not be required to schedule any receipt at a Secondary Point of Receipt, nor shall Crossroads be required to schedule any delivery at a Secondary Point of Delivery if such receipt or delivery would impair deliveries to any firm service shipper at a Primary Point of Delivery or receipts at a Primary Point of Receipt.
- 5.3 To the extent that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Crossroads, Crossroads shall not be required to continue deliveries of gas on behalf of Shipper. Prior to any reduction or interruption in service due to the failure of the upstream entity to deliver gas on behalf of Shipper, Crossroads shall provide notice in a time and manner that is reasonable under then existing conditions. To the extent that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Crossroads, Crossroads shall have the right to reduce deliveries of gas on behalf of Shipper.

6. MINIMUM MONTHLY BILL

The Reservation Charge for the month.

7. SERVICE IN EXCESS OF FIRM MDQ

Authorized Overrun Service

Upon the prior request of Shipper, made separately from a request for service under this Rate Schedule FT-1 within Shipper's firm MDQ, subject to confirmation by upstream shippers and downstream delivery point operators and the advance agreement of Crossroads' dispatchers, which agreement shall not be unreasonably withheld, Crossroads may transport and deliver to Shipper at Shipper's scheduled point(s) of delivery, on any day, a quantity in excess of Shipper's firm MDQ if Crossroads determines, in its sole discretion, that operating conditions, the availability of capacity, and Crossroads' existing commitment to provide any service permit such overrun service to be

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FERC Docket: CP94-342-001

**Original Sheet No. 16** Original Sheet No. 16 : Effective

provided. Any such overrun service will be provided subject to the scheduling of such quantities by Crossroad's at specific receipt and delivery points and payment of the effective rates and charges under Rate Schedule IT-1.

8. GENERAL TERMS AND CONDITIONS

The effective General Terms and Conditions of this FERC Gas Tariff are applicable to this Rate Schedule and made an integral part hereof.

9. RESERVATIONS

Crossroads reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions for Transportation Service, and any other provisions of Crossroads' FERC Gas Tariff subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder. Shipper reserves the right to protest any such changes.

RATE SCHEDULE IT-1

INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for interruptible transportation service authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), by Crossroads for any person ("Shipper"), subject to: (1) the availability of uncommitted interruptible capacity; (2) submission by Shipper and acceptance by Crossroads of a valid Request for Transportation in accordance with the provisions of Section 6 of the General Terms and Conditions for Transportation Service of Crossroads' FERC Gas Tariff, of which this Rate Schedule is part; (3) the prior execution by Crossroads and Shipper of the effective form of Service Agreement for this Rate Schedule; and (4) the effective requirements stated in this Rate Schedule, the General Terms and Conditions, and any other applicable provisions of Crossroads' FERC Gas Tariff, of which this Rate Schedule is part, or otherwise established by orders, rules, and regulations of the Commission.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule applies to all gas transported by Crossroads for Shipper pursuant to an executed Service Agreement for service hereunder. Transportation service under this Rate Schedule shall be provided on a fully interruptible basis up to the interruptible Maximum Daily Quantity ("MDQ") of gas tendered for transportation hereunder plus an amount reflecting the Gas Reimbursement Quantity ("GRQ") as defined in Section 15 of the General Terms and Conditions of this Tariff.

Crossroads is not obligated to provide any interruptible transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES AND CHARGES

The rates and charges for service under this Rate Schedule shall include on a monthly basis each of the effective rates, fees and charges as set forth in this Section 3 and as may hereafter be modified, superseded or replaced.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97-145-001

**Third Substitute Original Sheet No. 18** Third Substitute Original Sheet No. 18 : Effective  
Superseding: Second Substitute Original Sheet No. 18

3.1 Commodity Charge

Shipper's monthly Commodity Charges shall be the product of the Commodity Charge set forth in the Service Agreement, which shall not exceed the Maximum Commodity Charge or be less than the Minimum Commodity Charge as set forth on Sheet No. 6 of this Tariff, multiplied by the dekatherms delivered to or for the account of Shipper during the month.

3.2 Fuel, Losses and Unaccountables

Shipper shall reimburse Crossroads in kind for gas used for utility purposes, including but not limited to compressor station fuel, if any, line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity not caused by Crossroads' negligence) in the operation of Crossroads' Pipeline system. Shipper shall effect such in kind reimbursement by tendering to Crossroads for transportation by Crossroads an amount of gas at Shipper's Point(s) of Receipt which includes a Gas Reimbursement Quantity ("GRQ"). The GRQ shall be determined by multiplying the amount of gas scheduled to be delivered by Shipper to Crossroads for transportation by Crossroads by the Gas Reimbursement Percentage ("GRP") as quantified pursuant to Section 15 of the General Terms and Conditions of this Tariff.

3.3 Other Applicable Charges

In addition to the charges set forth herein, Shipper shall pay all applicable GRI, ACA and other surcharges, if any, as set forth in the General Terms and Conditions.

3.4 Reimbursement of Filing Fees

Shipper shall reimburse Crossroads promptly for any and all filing or reporting fees that are assessed by any governmental agency and paid by Crossroads in conjunction with service rendered hereunder.

Any reimbursement due Crossroads by Shipper pursuant to this Section 3.4 shall be due and payable to Crossroads within fifteen (15) days of the date Crossroads invoices Shipper for such fees.

**First Revised Sheet No. 19** First Revised Sheet No. 19 : Effective  
Superseding: Substitute Original Sheet No. 19

3.5 Range of Rates

- (a) The rates and charges stated in Section 3.1 through 3.4 herein and applicable to a Shipper for service hereunder shall be the applicable Maximum Rates as set forth on the effective Tariff Sheet No. 6 of this Volume, except as otherwise agreed upon in writing by Crossroads and Shipper under the terms of the applicable Service Agreement. In the event an amount less than the applicable Maximum Rates and not less than the applicable Minimum Rates is agreed upon in writing by Crossroads and Shipper, such amount shall apply prospectively and Crossroads shall be responsible for compliance with any reporting requirements prescribed by the Commission.
- (b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

3.6 Determination of Deliveries

Crossroads shall not be obligated to deliver to Shipper a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantity of gas furnished by Shipper pursuant to Section 3.2 of Rate Schedule IT-1, all as computed on a thermally equivalent basis.

3.7 Imbalance and Scheduling Penalties

The following penalties shall be charged by Crossroads:

(a) Daily Balancing

A penalty as stated in paragraph (b) below, shall be levied daily by Crossroads and paid monthly by any Shipper who, upon notification by Crossroads of the existence of an overage in receipts or deliveries at any of the Shipper's designated Points of Receipt and/or Delivery on any day, fails to correct such overage on a prospective basis within 24 hours of receipt by Shipper of Crossroads' notification. Notification may be given by facsimile or telephone and is effective when given. Such penalty shall apply on an individual Service Agreement basis. Nothing herein shall limit Crossroads' right to take such actions of whatever nature as may be required to correct imbalances which threaten the integrity of Crossroads' system, including maintenance of service to other customers. The applicable penalty shall be applied to the quantities which exceed the limits specified below, on a prospective basis beginning on the gas day following initial notification by Crossroads, in the following instances:

**Substitute Original Sheet No. 20** Substitute Original Sheet No. 20 : Effective  
Superseding: Original Sheet No. 20

- (i) Shipper delivers or causes to be delivered to Crossroads on any day a quantity which, after appropriate reductions, exceeds a Shipper's interruptible MDQ by more than 10%, unless Shipper and Crossroads have agreed to an Authorized Overrun pursuant to Section 6 hereof; or
  - (ii) Shipper delivers or causes to be delivered to Crossroads on any day a quantity which, after appropriate reductions, exceeds the quantities taken from Crossroads by more than 10%; or
  - (iii) The Shipper takes quantities from Crossroads on any day which exceed the quantities received by Crossroads from Shipper by more than 10% after appropriate reductions.
- (b) Daily Balancing Penalty

As to paragraphs (a) (i) and (a) (ii) above, the penalty shall be the retention by Crossroads of the total quantity of gas exceeding the 10% limit specified therein and payment by Crossroads to Shipper of an amount equal to the percentage listed below of the spot price for Midwest Delivered to Utility as published each week in Natural Gas Week's "Gas Price Report" multiplied by the quantity of gas delivered in excess of the 10% limit, and receipts may be suspended until such time as balance is achieved.

| Imbalance        | Percent of Spot Price |
|------------------|-----------------------|
| 10% to 15%       | 90%                   |
| above 15% to 20% | 80%                   |
| above 20% to 25% | 70%                   |
| above 25% to 30% | 60%                   |
| above 30%        | 50%                   |

As to paragraph (a) (iii) above, the penalty shall be the purchase by Shipper from Crossroads of the total quantity of gas exceeding the 10% limit specified herein at a price equal to the percent listed below of the spot price for Midwest Delivered to Utility as published each week in Natural Gas Week's "Gas Price Report" for the period in which the imbalance occurred plus applicable transportation charges for delivery of such quantities to Crossroads at its interconnect with

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FERC Docket: RP97-145-001

**Third Substitute Original Sheet No. 21** Third Substitute Original Sheet No. 21 : Effective  
Superseding: Second Substitute Original Sheet No. 21

Trunkline Gas Company at Lapaz, Indiana, and deliveries may be suspended until such time as balance is achieved.

| Imbalance        | Percent of Spot Price |
|------------------|-----------------------|
| 10% to 15%       | 110%                  |
| above 15% to 20% | 120%                  |
| above 20% to 25% | 130%                  |
| above 25% to 30% | 140%                  |
| above 30%        | 150%                  |

(c) Monthly Imbalance Cash Out

At the end of each month, Crossroads will determine the sum of the daily imbalances under each of Shipper's Service Agreements. If the sum of Shipper's daily imbalances under each Service Agreement is not zero at the end of the month, the sum of the daily imbalances shall be cashed out as specified in paragraph (b) above, for Daily Balancing. Shipper may net imbalances for the same service over the course of a month to minimize any imbalance cash out. Imbalance statement will be generated no later than Shipper's monthly transportation invoice.

(d) Scheduling Penalties

- (i) If the quantity of gas which Crossroads, at Shipper's request, has scheduled for delivery at any of the Shipper's designated Point(s) of Delivery exceeds the quantities actually taken by Shipper by 10% or more of the scheduled quantity at such designated Point(s) of Delivery for that day, the penalty shall be the equivalent of the maximum transportation rate under this Rate Schedule multiplied by the amount by which the quantity scheduled for delivery, minus 10%, exceeds the actual quantity taken by Shipper. Crossroads shall notify Shipper of such failure to deliver scheduled quantities; however, Shipper's obligation to pay the applicable penalty shall not be affected by such notification or lack of such notification.
- (ii) If the quantity of gas which Crossroads, at Shipper's request, has scheduled for receipt at any of the Shipper's designated Receipt Point(s) on any day exceeds the quantities actually received by Crossroads at such

**Second Substitute Original Sheet No. 22** Second Substitute Original Sheet No. 22 : Effective  
Superseding: Substitute Original Sheet No. 22

designated Point(s) of Receipt for or on behalf of Shipper by 10% or more of the scheduled quantity for that day, the penalty shall be the equivalent of the maximum transportation rate under this Rate Schedule multiplied by the amount by which the quantity scheduled for receipt minus 10% exceeds the quantity actually received.

(e) Force Majeure

In the event that any penalty would otherwise be applicable under this Section as a direct consequence of any action or failure to take action by Crossroads, or of the failure of any facility under Crossroads' control, or of an event of force majeure as defined in Section 30 of the General Terms and Conditions of Crossroads' FERC Gas Tariff, the penalty shall not apply.

3.8. Unauthorized Overrun Quantities

- (a) If on any day the total quantity of gas taken from Crossroads at all points of delivery under any service agreement exceeds Shipper's MDQ under such service agreement on such day and Crossroads has not authorized such excess quantity pursuant to Section 6 of Rate Schedule IT-1, then all such gas taken in excess of Shipper's MDQ shall constitute Unauthorized Overrun Quantities.
- (b) In the event that Shipper takes Unauthorized Overrun Quantities as defined in Section 3.8(a) above, Shipper shall pay Crossroads \$15 per dekatherm for all such Unauthorized Overrun Quantities, in addition to the amounts otherwise payable by Shipper to Crossroads under Crossroads' applicable rate schedule and these General Terms and Conditions.

3.9 Applicable Penalties

Crossroads will assess the highest applicable penalty to any single infraction. In the event Shipper's unauthorized takes, imbalances, or failures to meet scheduled quantities would subject the Shipper to more than one (1) penalty provision under this Section, Crossroads is authorized to collect only a single penalty equal to the highest applicable penalty.

3.10 Penalty Credits

Crossroads shall credit on a monthly basis to all firm Shippers any imbalance, scheduling and unauthorized overrun penalties assessed and collected from any affiliate of Crossroads in accordance with the terms of paragraphs 3.8 and 3.9 of Rate Schedule FT-1 and paragraphs 3.7 and 3.8 of Rate Schedule IT-1, the second preceding calendar month. Crossroads' credit to each individual Shipper shall be on a pro rata basis expressed as a function of the Shippers firm demand charges to total firm demand charges for the month for which the penalty was assessed. Any Shipper incurring an imbalance penalty during a particular month shall not be eligible to receive a credit of any such penalty. In no event may a Shipper receive penalty credits in excess of Shippers firm demand charges for the month for which the penalty was assessed.

4. NOMINATION AND SCHEDULING OF RECEIPTS AND DELIVERIES

All nominations are subject to confirmation by Crossroads and to confirmation by upstream suppliers and transporters and downstream transporters or Delivery Point operators.

Crossroads shall schedule such nominations in accordance with Section 13 of its General Terms and Conditions of this Tariff. If Shipper fails to comply with the provisions of Section 13 of the General Terms and Conditions of this Tariff, then Crossroads shall not schedule the initiation of or changes to service nominated by Shipper.

Crossroads will contact upstream suppliers and transporters to verify that gas is flowing as scheduled and reserves the right to take any other necessary action to verify that gas is flowing as scheduled by Crossroads. Upon request of Crossroads, Shipper shall contact its sources of supply and its delivery customer(s) to verify that its source(s) flow as scheduled hereunder and that its customer(s) take delivery as scheduled hereunder. Shipper may, with the consent of Crossroads, nominate receipts or deliveries necessary to make up accumulated imbalances, but Crossroads may, at its sole discretion, withhold its consent to such schedule changes due to operating considerations.

Receipts of gas to Crossroads for transportation hereunder shall be made at a point or points on Crossroads' Pipeline system at a pressure sufficient to enter the Pipeline system, and deliveries of gas from Crossroads for Shipper shall be made at such point or points on Crossroads' Pipeline system as specified in the executed Service Agreement.

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FERC Docket: RP99-100-000

**First Revised Sheet No. 24** First Revised Sheet No. 24 : Effective  
Superseding: Original Sheet No. 24

If the gas offered for transportation hereunder shall fail at any time to conform to the quality provisions set forth in the General Terms and Conditions of this Tariff or if such gas may cause harm to its facilities, Crossroads shall notify Shipper of such deficiency and may, at its option, refuse to accept delivery pending correction by Shipper.

From the time the natural gas is received by Crossroads at the Point(s) of Receipt, Crossroads shall have the unqualified right to commingle such natural gas with other gas in Crossroads' system.

4.1 Mid-Day Nominations

Shipper, with consent of Crossroads, which shall not be unreasonably withheld, may change its nominated quantity, Receipt Point(s), or Delivery Point(s) as provided in Section 13 of the General Terms and Conditions of this Tariff. Crossroads may, in its sole discretion and on a non-discriminatory basis, permit additional changes in nominations in one day provided each change is confirmed by all upstream transporters and downstream Deliver Point operators.

5. OTHER OPERATING CONDITIONS

Crossroads' obligation to provide service under this Rate Schedule is subject to the following conditions being satisfied:

- 5.1 Shipper shall make all necessary arrangements with other parties at or upstream of the Point(s) of Receipt where Shipper tenders gas to Crossroads for transportation, and at or downstream of the Point(s) of Delivery where Crossroads delivers gas for Shipper's account, and such arrangements must be compatible with Crossroads' system operations.
- 5.2 Crossroads shall not be required to schedule any receipt at a Secondary Point of Receipt, nor shall Crossroads be required to schedule any delivery at a Secondary Point of Delivery if such receipt or delivery would impair deliveries to any firm service shipper at a Primary Point of Delivery or receipts at a Primary Point of Receipt.
- 5.3 To the extent that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Crossroads, Crossroads shall not be required to continue deliveries of gas on behalf of Shipper. To the extent that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Crossroads, Crossroads shall have the right to reduce deliveries of gas on behalf of Shipper.

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FERC Docket: RP97-145-001

**Substitute Original Sheet No. 25** Substitute Original Sheet No. 25 : Effective  
Superseding: Original Sheet No. 25

6. SERVICE IN EXCESS OF MAXIMUM DAILY QUANTITY

Authorized Overrun Service

Upon the prior request of Shipper, made separately from request for service under this Rate Schedule IT-1 within Shipper's Interruptible MDQ, subject to confirmation by upstream shippers and downstream Delivery Point operators, and the advance agreement of Crossroads' dispatchers, which shall not be unreasonably withheld, Crossroads may transport, on any day, a quantity in excess of Shipper's Interruptible MDQ if Crossroads determines, in its sole discretion, that operating conditions, the availability of capacity, and Crossroads' existing commitments to provide any service permit such overrun service to be provided. Any such overrun service will be provided subject to the scheduling of such quantities by Crossroads at specific receipt and delivery points and payment of the effective rates and charges under the terms and conditions applicable to interruptible transportation service under this Rate Schedule IT-1.

7. GENERAL TERMS AND CONDITIONS

The effective General Terms and Conditions contained in Crossroads' FERC Gas Tariff are applicable to this Rate Schedule and made an integral part hereof.

8. RESERVATIONS

Crossroads reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions for Transportation Service, and any other provisions of Crossroads' FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder. Shipper reserves the right to protest any such changes.

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 25.1** Original Sheet No. 25.1 : Effective

Rate Schedule GPS/GLS  
Gas Parking Service  
Gas Lending Service

1. AVAILABILITY

This Rate Schedule is available to any person ("Shipper") for Parking and Lending Services authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission") by Crossroads Pipeline Company ("Crossroads"). Parking and Lending Services under this rate schedule are subject to: (1) the prior execution by Crossroads and Shipper of the effective form of Service Agreement for this Rate Schedule; and (2) the availability of uncommitted capacity and/or natural gas sufficient to effectuate such Parking or Lending Services; (3) the determination by Crossroads that such Parking or Lending Services will not compromise Crossroads' operational management needs and will not prevent Crossroads from meeting any scheduled firm or interruptible service obligations; and (4) the effective requirements stated in this Rate Schedule, the General Terms and Conditions of Service, and any other applicable provisions of Crossroads' FERC Gas Tariff, of which this Rate Schedule is part, or otherwise established by orders, rules, and regulations of the Commission.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1. The service hereunder is an interruptible service to be provided only after all other services are scheduled and then to the extent it will not compromise Crossroads' operational management needs. Service hereunder shall be for the time period specified in the Service Agreement, unless extended by Crossroads in its sole discretion. In the event that service has already commenced and Crossroads determines, in its sole discretion, that continued service may prevent Crossroads from meeting any scheduled firm and/or interruptible service obligations or its operational management needs, then Crossroads may, in its sole discretion, cease, decrease or interrupt any and all service hereunder. In no event shall Crossroads be obligated to provide service under this Rate Schedule if capacity and/or natural gas is not available or if service would require the construction of new facilities or modification of existing facilities.

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FERC Docket: RP00- 59-000

**First Revised Sheet No. 25.2** First Revised Sheet No. 25.2 : Effective  
Superseding: Original Sheet No. 25.2

2.2 Service hereunder shall consist of Parking Service and Lending Service.

- A. Parking Service shall consist of: (1) the receipt of gas by Crossroads for parking upon nomination by Shipper at Shipper's designated receipt point, up to the Maximum Parking Quantity ("MPQ") specified in the Service Agreement; (2) the parking of gas for the period of time specified in the Service Agreement, unless extended, suspended, or interrupted by Crossroads pursuant to Section 2.1 above; and (3) the redelivery of gas by Crossroads upon nomination by Shipper at the designated delivery point.
- B. Lending Service shall consist of: (1) the delivery of gas by Crossroads to Shipper upon nomination by Shipper up to the Maximum Loan Quantity ("MLQ") specified in the Service Agreement at one or more of the points specified in such Service Agreement; (2) the loan of gas for the period of time specified in the Service Agreement, unless extended, suspended, or interrupted by Crossroads pursuant to Section 2.1 above; and (3) the redelivery of gas to Crossroads upon nomination by Shipper at designated points.

3. RATES AND CHARGES

- (a) Unless otherwise agreed to in writing by Crossroads, the applicable daily rate per Dth of gas parked by or loaned to Shipper shall be the maximum rate set forth on Sheet No. 6 of this Rate Schedule. Each month, Shipper shall pay to Crossroads: (1) the applicable daily parking rate multiplied by the quantity of gas parked each day of the month; (2) the applicable daily lending rate multiplied by the outstanding gas lending balance each day of the month; (3) any penalties applicable to the month's Parking or Lending Services, as required under Section 4 below; and (4) any other applicable rates, charges or penalties, as set forth in the General Terms and Conditions of this tariff.
- (b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

4. FUEL, LOSSES AND UNACCOUNTABLES

- 4.1 Shipper shall reimburse Crossroads in kind for gas used for utility purposes, including but not limited to compressor station fuel, if any, line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity not caused by Crossroads' negligence) in the operation of Crossroads' pipeline system. Shipper shall effect such in kind reimbursement by tendering to Crossroads an amount of gas at Shipper's Point(s) of Receipt which includes a Gas Reimbursement Quantity ("GRQ"). The GRQ shall be determined by multiplying the amount of gas scheduled to be delivered by Shipper to Crossroads or to be delivered by Crossroads to Shipper by the Gas Reimbursement Percentage ("GRP") as quantified pursuant to Section 15 of the General Terms and Conditions of this Tariff.

**Original Sheet No. 25.3** Original Sheet No. 25.3 : Effective

4.2 Other Applicable Charges. In addition to the charges set forth herein, Shipper shall pay all applicable GRI, ACA, and other surcharges, if any, as set forth in the General Terms and Conditions.

5. PENALTIES

5.1 Quantities of gas left in Parking Service after Crossroads provides notice and an opportunity to cure, as provided in Section 6.3 of this Rate Schedule, shall become the property of Crossroads free and clear of any adverse claim.

5.2 A penalty of \$15.00 per Dth plus 150% of the spot price for Midwest Delivered to Utility as published each week in Natural Gas Week's "Gas Price Report" per Dth may be levied for a Shipper's failure to return loan gas as required under Section 7.3 herein.

5.3 If Shipper becomes subject to the penalties as described in 5.1 or 5.2 above, but such actions have no effect on Crossroads' ability to provide its certificated services, to meet its certificate, contract, or tariff obligations, or to maintain the operational reliability and integrity of its system, and do not impose any material costs on Crossroads, Crossroads may in its sole discretion waive all or part of a penalty incurred by Shipper, provided that such waiver is granted on a non-discriminatory basis.

6. PARKING SERVICE

6.1 Nominating and Scheduling Parking Service. For any day when Shipper desires Crossroads to park gas for Shipper's account under this Rate Schedule, Shipper shall nominate to Crossroads in accordance with the General Terms and Conditions of this Tariff, specifying the quantity of gas that Shipper desires Crossroads to receive for Parking on such day. When Shipper's nominations are confirmed and scheduled as required by the General Terms and Conditions of this Tariff, Crossroads shall receive for Shipper's account on such day the quantity of gas so nominated, subject to the limitations set forth in this Rate Schedule. Once received by Crossroads, such gas shall constitute a Parked Quantity.

6.2 Return of Parked Quantities. For any day when Shipper desires Crossroads to return quantities of gas which Crossroads has received for Shipper's account under this Rate Schedule, Shipper shall nominate to Crossroads, in accordance with the General Terms and Conditions of this Tariff, specifying the quantity of gas that Shipper desires Crossroads to return from Parking on such day. When Shipper's nominations are confirmed and scheduled as required by this Tariff, Crossroads shall return to Shipper on such day the quantity of gas so nominated, to the extent that Crossroads' operational conditions permit, and subject to the limitations set forth in this Rate Schedule.

6.3 Clearance Requirements.

- A. Shipper is required to reduce its Parked Quantity to zero within the time period specified in the Service Agreement, unless extended by Crossroads in its sole discretion. This requirement is to be satisfied for each quantity parked with Crossroads.
- B. If Crossroads, in its sole discretion, determines that Shipper's Parking Service may prevent Crossroads from meeting any firm and/or interruptible service obligations or its operational management needs, it may notify Shipper of this determination. Within twenty-four hours of notification by Crossroads, Shipper must remove the quantity of parked gas specified by Crossroads at a point specified in the Service Agreement.

7. LENDING SERVICE

7.1 Nominating and Scheduling Lending Service. For any day when Shipper desires Crossroads to lend gas for Shipper's account under this Rate Schedule, Shipper shall nominate to Crossroads in accordance with the General Terms and Conditions of this Tariff, specifying the quantity of gas that Shipper desires Crossroads to deliver on such day. When Shipper's nominations are confirmed and scheduled as required by the General Terms and Conditions of this Tariff, Crossroads shall deliver for Shipper's account on such day the quantity of gas so nominated, subject to the limitations set forth in this Rate Schedule. Once received by Shipper, such gas shall constitute a Loaned Quantity.

7.2. Return of Loaned Quantities. For any day when Shipper desires to return to Crossroads quantities of gas which Crossroads has delivered for Shipper's account under this Rate Schedule, Shipper shall nominate to Crossroads, in accordance with the General Terms and Conditions of this Tariff, specifying the quantity of gas that Shipper desires to return to Crossroads on such day. When Shipper's nominations are confirmed and scheduled as required by this Tariff, Crossroads shall receive from Shipper on such day the quantity of gas so nominated, to the extent that Crossroads' operational conditions permit, and subject to the limitations set forth in this Rate Schedule.

7.3 Clearance Requirements.

- A. Shipper is required to reduce its Loaned Quantity to zero within the time period specified in the Service Agreement, unless extended by Crossroads in its sole discretion. This requirement is to be satisfied for each quantity loaned by Crossroads.
- B. If Crossroads, in its sole discretion, determines that Shipper's Lending Service may prevent Crossroads from meeting any firm and/or interruptible service obligations or its operational management needs, it may notify Shipper of this determination. Within twenty-four hours of notification by Crossroads, Shipper must return the quantity of loaned gas specified by Crossroads at a point specified in the Service Agreement.

8. ALLOCATION OF CAPACITY

In the event that requests for transactions under this rate schedule exceed available capacity, the requests yielding the greatest economic benefit to Crossroads, as determined in its sole discretion, shall be granted first. As used in this paragraph, "economic benefit" shall be determined on a net present value basis, based upon: (1) the proposed rate to be paid for the Parking or Lending Service; (2) the proposed term of the Parking or Lending Service Agreement; and (3) the proposed MDQ for the Parking or Lending Service. Allocation of capacity pursuant to this section shall not change the otherwise applicable curtailment priority of the service.

9. INTERRUPTION

In the event of an interruption of services under this Rate Schedule, Shipper may be subject to the following conditions:

- A. Shipper may be required to accept return or delivery of gas from Parking Service on short notice as provided in Section 6.3 of this Rate Schedule; or
- B. Crossroads may not accept or confirm nominations for Parking or Lending Services at points where Crossroads has determined that capacity is not available; or
- C. Shipper may be required to limit Parking or Lending Service nominations to identified receipt and/or delivery points; or
- D. Shipper may be required to return gas from Lending Service on short notice as provided in Section 7.3 of this Rate Schedule; or
- E. Shipper may be required to delay the return or delivery of gas from Parking Service. In the event that Crossroads is unable to return or deliver Parked Quantities within the time limitation otherwise applicable to Parking Service, despite Shipper's bona fide nomination to return or deliver gas from Parking Service, then Crossroads shall allow such quantities to remain in Parking Service until Crossroads notifies Shipper that such Parked Quantities must be returned or delivered from Crossroads' system within 24 hours. Upon the lapse of this 24-hour period, Shipper shall be liable for penalties upon failure to satisfy the requirements of Section 6.3 above.

10. GENERAL TERMS AND CONDITIONS

The effective General Terms and Conditions of this FERC Gas Tariff are applicable to this Rate Schedule and made an integral part hereof.

11. RESERVATIONS

Crossroads reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions for Transportation Service, and any other provisions of Crossroads' FERC Gas Tariff subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder. Shipper reserves the right to protest any such changes.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 The term "Day" or "Gas Day" shall mean a period of twenty four (24 ) consecutive hours beginning at 9:00 a.m. Central Clock Time. "Central Clock Time" refers to the actual time in the United States Central Time Zone on any given day.
- 1.2 The word "Month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
- 1.3 The term "Billing Month" shall mean that month of service hereunder which immediately precedes the Month in which Crossroads is obligated to render a bill for such service.
- 1.4 The term "Contract Year" shall mean a period of twelve (12) consecutive months from the first day of the month following the date gas is first delivered or other period per contract.
- 1.5 The word "Gas" shall mean gas from gas wells, casinghead gas produced with crude oil, and residue gas resulting from the processing of either well gas or casinghead gas or both.
- 1.6 The term "Cubic Foot of Gas" shall mean that quantity of gas which, at a temperature of sixty degrees (60ø) Fahrenheit and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.) occupies one (1) cubic foot.
- 1.7 The term "Mcf" shall mean one thousand (1,000) cubic feet of gas. The reporting basis for gas volumes is cubic feet at standard conditions of 14.73 p.s.i.a., 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
- 1.8 The term "Btu" shall mean British Thermal Unit, and is defined as the amount of heat required to raise the temperature of one pound of one pound of pure water one degree (1 degree) Fahrenheit at a standard pressure 14.73 p.s.i.a. and a starting temperature of 60øF. The reporting basis for Btu is 14.73 dry p.s.i.a. and 60 degrees F (101.325 kPa and 15 degrees C, and dry).
- 1.9 The term "Gross Heating Value" shall mean the quantity of heat in Btu's liberated by the complete combustion at constant pressure, of a cubic foot of gas at a temperature of sixty degrees (60ø) Fahrenheit saturated with water vapor and at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch.

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absolute (14.73 p.s.i.a.) with air at the same temperature and pressure as the gas, when the products of the combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the liquid state.

- 1.10 The term "dekatherm" ("Dth") shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One dekatherm of gas shall mean the quantity of gas that contains one dekatherm of heat energy.
- 1.11 The term "psig" shall mean pounds per square inch gauge.
- 1.12 The term "Transportation" shall mean the receipt of gas at one or more points and its delivery at one or more other points, which may include the compression or transmission of gas or some combination thereof. "Transportation" includes forward haul, exchange, backhaul, displacement or any other actual or constructive method of movement.
- 1.13 The term "Maximum Daily Quantity" ("MDQ") shall mean the maximum quantity of gas specified for receipt and delivery in a day under a Firm or Interruptible Service Agreement.
- 1.14 The term "Crossroads" and "Transporter" shall mean Crossroads Pipeline Company or its successors.
- 1.15 The term "Shipper" shall mean the person that has executed a Firm or Interruptible Transportation Service Agreement with Crossroads for transportation service hereunder or, as the context may require, any person requesting service hereunder.
- 1.16 The term "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.
- 1.17 The term "Thermal" or "Thermally Equivalent" shall mean an equal number of Btu's.
- 1.18 The words "Business Day" shall mean any weekday, excluding federal banking holidays in the United States and similar holidays in Canada and Mexico.
- 1.19 "OBA Party" shall mean the entity that has executed an Operational Balancing Agreement with Crossroads.
- 1.20 The term "Critical Notices" are those providing information adversely affecting the scheduled flow of gas. System-wide notices will have a separate category for notices that are not critical.
- 1.21 The term "Negotiated Rate" shall mean a rate or rate formula mutually agreed upon by Transporter and Customer pursuant to Section 39 of the General Terms and Conditions with respect to rates, rate components, charges, or credits differing from the otherwise applicable Recourse Rate. The Negotiated Rate may be less than, equal to, or greater than the maximum Recourse Rate; shall not be less than the minimum tariff rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity.
- 1.22 The term "Recourse Rate" shall mean the rates (other than a Negotiated Rate as defined in Section 1.21) applicable to Part 284 services as effective from time to time.

## 2. QUALITY OF GAS

- 2.1 Quality Standards: The gas which Crossroads receives hereunder from Shipper for transport (and the gas which Crossroads delivers hereunder to Shipper) shall be merchantable gas of pipeline quality, at all times complying with the following quality requirements:



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- (a) Heating Value: The gas received hereunder shall have a gross heating value of not less than nine hundred seventy three (973) Btu's per cubic foot, wet basis, nor more than one thousand one hundred (1,100) Btu's per cubic foot, wet basis.
- (b) Freedom from Objectional Matter: The gas received and delivered hereunder:
  - (1) Shall be commercially free from solid or liquid matter or gum forming constituents, dust, gums, crude oil, impurities and other objectional substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization.
  - (2) Shall not contain more than one (1) grain of hydrogen sulfide or more than twenty (20) grains of total sulphur per one hundred (100) cubic feet.
  - (3) Shall not contain more than two percent (2%) of volume of carbon dioxide.
  - (4) Shall not exceed one hundred twenty degrees (120°) Fahrenheit in temperature at the point of receipt.
  - (5) Shall be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than 50 parts per million of oxygen by volume.
  - (6) Shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.
  - (7) Shall not contain in excess of three percent (3%) of nitrogen by volume.
  - (8) Shall not contain any active bacteria or bacterial agent, including but not limited to sulphate reducing bacteria and acid producing bacteria; and shall not contain any hazardous or toxic substances.
- (c) Acceptance of Gas not Meeting Quality Standards: Crossroads shall have the right to accept receipt of any gas not complying with the quality specifications itemized in paragraph 2.1(b) above subject to its right at any time thereafter to require that the quality specifications stated in paragraph 2.1(b) above shall be observed for all future receipts.

- (1) In the event Crossroads should agree to accept any gas having a non-hydrocarbon content in excess of 3% of the total volume, such non-hydrocarbon content in excess thereof shall be deemed to have 1000 Btu per cubic foot for transportation billing purposes but shall not be utilized for the calculation of thermal equivalent volumes for redelivery purposes.

2.2 Composition and Heating Value Determination:

- (a) The quality specifications of the gas received hereunder shall be determined by tests which Crossroads shall cause to be made at each receiving point and further as agreed to by Crossroads and Shipper.
- (b) Quarterly, or as often as Crossroads deems advisable, Crossroads shall cause to be obtained a representative sample of Shipper's gas at each point of receipt and delivery and by means of chromatography or other accepted method in the industry to determine the composition and gross heating value of Shipper's gas in Btu's per cubic foot on a wet basis. The first such determination shall be made within a reasonable time after receipt of gas begins and shall apply until the first day of the month following the next determination. Crossroads shall notify Shipper in writing of the date of the test at least ten (10) days prior thereto. Shipper may witness the tests or make joint tests with its own appliances.
- (c) Shipper and Crossroads shall each have the right to require the other to remedy any deficiency in quality of the gas received or delivered hereunder, and in the event such deficiency is not remedied, either party shall have the right, in addition to all other remedies available to it by law, to refuse to accept such deficient gas until such deficiency is remedied; however, Crossroads shall be under no obligation to deliver any quality of gas exceeding merchantable quality.

3. MEASURING EQUIPMENT

- 3.1 Installation: At each Delivery Point hereunder all measuring equipment, devices and materials shall be furnished and installed, owned, maintained and operated by Crossroads provided that Shipper shall bear the expense of furnishing and installing such equipment, services and materials, unless Shipper and Crossroads agree otherwise. Shipper may install and operate check measuring equipment at any delivery point or receipt point at which it is the sole Shipper, provided such check measuring equipment does not interfere with the use of Crossroads' equipment.

- 3.2 Testing Meter Equipment: Crossroads' meter or meters shall be open to inspection by Shipper in the presence of Crossroads. Crossroads shall test its meters for accuracy of measurement quarterly or as often as Crossroads deems advisable. Notice of the time and nature of each test shall be given by Crossroads to Shipper sufficiently in advance to permit convenient arrangement for the presence of the representative of Shipper. If after notice Shipper fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. If any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. A registration within two percent (2%) of correct shall be considered correct as to deliveries prior to the test.
- 3.3 Correction and Adjustment: If upon test, measuring equipment is found to be not more than two percent (2%) inaccurate, previous readings of such equipment after the last preceding test shall be considered correct, but equipment shall be adjusted to record accurately. If, on any test, measuring equipment is found to be inaccurate by an amount exceeding two percent (2%), or if at any time measuring equipment should be out of service or not registering gas flowing through the meter over the period during which the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated by use of the first of the following methods which may be applicable:
- (a) By using the registration of any check measuring equipment installed by Shipper or other party if registering accurately; or in the absence of (a)
  - (b) By computing error if percentage of error is ascertainable by calibration, test or mathematical calculation; or in the absence of (a) and (b) then
  - (c) By estimating the quantity received or delivered and/or its thermal content by reference to actual deliveries or deliveries during peak periods under similar conditions when measuring equipment was registering accurately.

If the period during which measuring equipment has been registering inaccurately or has been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since measuring equipment was previously tested and found to be registering within two percent (2%) of accurate or was adjusted to register accurately. All corrections made as above provided shall be made to zero error.

4. MEASUREMENTS

- 4.1 Metering: The gas shall be metered by one or more orifice or displacement type meters, at the discretion of Crossroads. When orifice meters are used, they shall be installed and maintained, and volumes shall be measured in accordance with the methods prescribed in "Orifice Metering of Natural Gas," Gas Measurement Committee Report No. 3 of the American Gas Association, including the Appendix thereto, as published September 1959, or any subsequent revision thereof acceptable to both parties. When displacement meters are used, the number of Mcf delivered hereunder shall be computed by including factors for pressure, temperature and deviation from Boyle's law.
- 4.2 Deviation from Ideal Gas Laws: Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction, a quantitative analysis of the gas shall be agreed upon by both parties or by computations made in accordance with Gas Measurement Committee Report No. 3 of the American Gas Association and any modifications and amendments thereof applied in a practical manner.
- 4.3 Specific Gravity: The specific gravity of gas flowing through the orifice meters shall be determined by means of a recording gravitometer located at the delivering party's measuring station or at any other point on said party's system where there will be no commingling thereafter of gas with that delivered to the receiving party, and the arithmetic average specific gravity each day at such point shall be used in computing deliveries of gas during the day at such points. Where displacement meters are installed and where the quantities of gas metered will not be materially affected by doing so, the specific gravity of the gas for any day may be determined by any other recognized method which may be practicable in the circumstances.
- 4.4 Flowing Temperatures: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to both parties, installed and maintained in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day for time that gas is flowing shall be deemed the gas temperature and used in computing the volumes of gas metered during such day.
- 4.5 Measurement: The Unit of Measurement for gas delivered or redelivered hereunder shall be one thousand (1,000) cubic feet (Mcf) of gas at a base temperature of sixty degrees (60°) Fahrenheit and at a base pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.).

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- 4.6 New Measurement Techniques: If at any time during the term hereof, a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted for the gas measurement set forth in this Article 4 upon mutual agreement thereto by the parties. If turbine meters are used, they shall be installed and operated in accordance with American Gas Association Transmission Measurement Committee Report No. 7.
- 4.7 Computation of Billing Volume: The Billing Volume in dekatherms shall be determined by multiplying the actual delivered volume as measured for the billing month in Mcf by the Gross Heating Value of such gas as defined in Paragraph 1.9 of the General Terms and Conditions of this Tariff. All measurements shall be taken no later than five business days after the end of the business month. If actual delivered volumes are unavailable in time to prepare the billing, such charges shall be based on estimated or nominated volumes and Crossroads shall provide as a re-stated line item with new daily and monthly total quantities in the succeeding month's billing, an adjustment based on any difference between actual volumes and estimated or nominated volumes. Any such prior period adjustments shall be taken back to the appropriate production month. Measurement data corrections should be processed within 6 months of the production month with a 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.
5. INSPECTION OF EQUIPMENT AND RECORDS
- 5.1 Verification of Computations: Each party shall have the right at reasonable business hours to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to the provisions of this Rate Schedule.
- If any such examination reveals an inaccuracy in any billing theretofore made, the necessary adjustment to such billing and payment shall be promptly made.
- In the event an error is discovered in the amount billed in any statement rendered by Crossroads, such error shall be adjusted promptly; provided, however, that all statements and billing shall be deemed correct and all claims and causes of action for correction waived and released except to the extent that a written request for adjustment or correction has been received by Crossroads within twenty-four (24) months from the date of such statement.
- 5.2 Inspection of Equipment and Data: Each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during regular business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all

original test data, charts and other similar records in such party's possession, for a period of at least three (3) years.

- 5.3 Information for Billing: When information necessary for billing by Crossroads is in the control of Shipper, Shipper shall furnish such information, estimated if actual is not available, for the billing month to Crossroads on or before the third (3rd) working day of the month following the billing month. If Shipper furnishes estimated information, the actual information shall be furnished to Crossroads on or before the eighth (8th) working day of the month following the billing month.

6. REQUESTS FOR TRANSPORTATION

- 6.1 Request for Transportation: Persons desiring transportation service must deliver a written and executed Request for Transportation to Crossroads at the following address:

Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
Attention: Manager

- 6.2 Valid requests for transportation service under Rate Schedules FT- 1 and IT-1 shall be made by providing the following information in writing on a form to be provided by Crossroads.

- (a) Identification of Shipper:
- (i) Shipper's legal name and principal place of business.
  - (ii) Shipper's business address for notices and billing.
  - (iii) Shipper's telephone number.
  - (iv) Shipper's status (eg. producer, end-user, local distribution company, interstate, intrastate or Hinshaw Pipeline, or other).
  - (v) List of names, titles and telephone numbers of all employees or agents of Shipper authorized to submit nominations.

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- (vi) List of names, titles and telephone numbers of all employees or agents of Shipper authorized to perform day-to-day dispatching.
- (b) Character of service requested (firm or interruptible).
- (c) Maximum Daily Quantity for firm and/or interruptible service requested, stated in dekatherms per day, and total contract volume of gas requested to be transported over the life of the contract stated in dekatherms per day. Crossroads shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) dekatherms per day.
- (d) Requested date of commencement of service.
- (e) Requested term of service.
- (f) Requested receipt point(s) by legal description and Maximum Quantities requested at each receipt point.
- (g) Requested delivery point(s) by legal description and Maximum Delivery Quantity requested at each delivery point.
- (h) Identity of the immediate downstream transporter involved in the transaction.
- (i) Whether any party to the transaction is a marketing affiliate of Crossroads, either as shipper, supplier, or as the person for whom service is provided and, if so, the extent of that affiliation.
- (j) The producing area of the source of the gas requested to be transported.
- (k) If any party involved in this transaction is a marketing affiliate of Crossroads, a statement of whether and how much the cost of the gas to the marketing affiliate exceeds the price received for the sale of the gas by marketing affiliate after deducting associated costs, including those costs incurred for transportation.
- (l) A statement from Shipper certifying that Shipper has title or good right to deliver the gas to be transported on Crossroads' system or has a current contractual right to acquire the same, and certifying

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that Shipper has secured or will have secured, prior to commencement of service, all necessary arrangements for upstream and downstream transportation, if applicable.

- (m) A letter from Shipper identifying whether the gas to be transported is destined for the system supply of a local distribution company, interstate, intrastate, or Hinshaw pipeline, which company Shipper shall identify, or for an end-user. At Shipper's option, this information may be provided either at the time of request or prior to commencement of deliveries.
- (n) If Shipper requests service on behalf of a third party, Shipper shall submit a copy of an executed Agreement between Shipper and the third party which authorized Shipper to act on behalf of the third party to secure the transportation service requested. Shipper shall provide the name, address, telephone number and status (e.g., LDC, producer, etc.) of the third party.

For Shipper's convenience, standardized service request forms shall be available from Crossroads at the above-referenced address.

Requests for service which do not include all of the above-referenced information shall be deemed null and void.

- 6.3 In lieu of submitting a valid request for service pursuant to Section 6.2 above, any Shipper other than an affiliate of Crossroads may negotiate with Crossroads either a Service Agreement or another form of agreement, such as a precedent agreement, providing for transportation services to be rendered under Rate Schedules FT-1 and/or IT-1 and for a specified amount of capacity or a level of service thereunder. In such event, the valid request date used to establish priority of service under Section 6.5 hereof shall be the date of the execution of the Service Agreement or the other agreement, whichever is earliest. Shipper may, at any time during negotiations with Crossroads, establish a valid request date by submitting a valid request for delivery pursuant to Section 6.2 above.
- 6.4 Subsequent Information: Shipper will provide such other information as is necessary or appropriate to facilitate transportation or to comply with regulatory reporting requirements.

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6.5 Valid Requests for Transportation: A Request for Transportation shall not be deemed to have been received and accepted by Crossroads until Crossroads has received in writing the information required or requested under Sections 6.2 and 6.3, if applicable, herein. If Crossroads requests additional information or assurances in accordance with this Section 6, and such information is provided within seven (7) days of such request, Shipper's Request for Transportation will be deemed to have been received when the information set forth in Sections 6.2 and 6.3 was received. Otherwise Shipper's Request for Transportation will be deemed to have been received when such additional information or assurances actually were received in writing by Crossroads.

7. CREDITWORTHINESS

Prior to execution of a Service Agreement providing for service under Rate Schedule FT-1, IT-1, GPS/GLS, Shipper shall be required to establish creditworthiness with Crossroads. Crossroads shall not be required to execute a Service Agreement providing for service under Rate Schedule FT-1, IT-1, GPS/GLS on behalf of any Shipper who fails to meet Crossroads' standards for creditworthiness or to initiate or continue service to a Shipper who fails to meet Crossroads' standards for creditworthiness or to continue service to a Shipper who fails to pay Crossroads for transportation service as provided for in Shipper's Service Agreement.

For purposes herein, the determination of Shipper's creditworthiness shall be based upon: (a) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service; or (b) if Shipper is not rated by Standard & Poor's or Moody's, an equivalent rating of investment grade as determined by Crossroads based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time. In the event that Crossroads determines the Shipper does not have an equivalent rating of investment grade, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or, as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Crossroads, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time.

If Shipper fails to establish creditworthiness when required to do so, Shipper may still receive service under this Rate Schedule provided it either (a) furnishes

and maintains for the term of the Service Agreement a written guarantee in a form satisfactory to Crossroads from a third party which is creditworthy as determined above, or (b) furnishes other security acceptable to Crossroads.

To permit Crossroads to conduct such review, any Shipper or prospective Shipper under this Rate Schedule shall, upon request by Crossroads, provide Crossroads complete audited financial statements prepared in accordance with generally accepted accounting principles.

8. CONNECTION OF NEW AND ADDITIONAL SERVICE

8.1 Order of Connection: Capacity will be made available for any increase of the following quantities of then on-going service and for new service in the following order, to the extent practicable.

(a) Requests for quantities of Firm Transportation Service under Rate Schedule FT-1 will be first fulfilled in sequence starting with the earliest date of request for such service; next, capacity will be pro-rated, as necessary, among requests for quantities of Firm Transportation Service having the same date of request, according to the ratio of each MDQ requested to the sum of the MDQ's requested. All requests received during an open season will be deemed to have the same date of request.

8.2 Commencement of Service: When Crossroads notifies Shipper of the availability hereunder, in whole or in part, of capacity for any requested quantity of service, Shipper shall execute a Service Agreement within fifteen (15) days of the date of notification. Failure to execute a Service Agreement within the 15-day period will result in a loss of any right to do so.

9. SERVICE AGREEMENT

9.1 Form: Shipper shall enter into a contract with Crossroads under Crossroads' appropriate standard form of Service Agreement.

9.2 Term: The term of the Service Agreement shall be agreed upon between Shipper and Crossroads at the time of the execution thereof.

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10. BILLING

- 10.1 Invoices: An invoice will be rendered to Shipper no later than nine days following the close of the applicable production month. The invoice will separately state applicable charges for FT-1 service, IT-1 service, and imbalance penalties, and the rates set forth in the invoice will reflect net billing rate. Unless otherwise provided for in a Shipper's service agreement, invoices will reflect the following units of measurement: dekatherms for United States transactions and gigajoules for Canadian transactions.
- 10.2 Data Reflected in Invoice: Invoices should be based on actuals (if available) or best available data. Quantities at points where OBAs exist should be invoiced based on scheduled quantities. Required back up data will be provided no later than the date of the invoice. Shippers may request reasonable additional information, which Crossroads will use its best efforts to provide.
- 10.3 Adjustments to Invoice: Prior period adjustment time limits should be 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice standard diminished with a 3 month rebuttal period, excluding government-required rate changes. This 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.

11. PAYMENT

- 11.1 Payment: On or before the twenty-fifth (25th) day of the month or the next business day in the event the twenty-fifth (25th) is a weekend or holiday, Shipper shall pay Crossroads by wire transfer of federal funds, the amount of the bill rendered by Crossroads for the billing month in accordance with Section 10 above. All payments must state the applicable Crossroads invoice number. Any payment shall be considered to have been made on the date such payment is transferred by Shipper to the address designated by Crossroads.
- 11.2 Interest on Unpaid Amounts: Should Shipper fail to pay the amount of and bill rendered by Crossroads when such amount is due, interest shall accrue thereon at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.67(c) of the Commission's Regulations.
- 11.3 Remedies for Failure to Pay: If such failure to pay continues for thirty (30) days after payment is due, Crossroads, in addition to any other remedy it may have, may (subject to obtaining any requisite regulatory approval) suspend further delivery of gas until such amount is paid unless Shipper in good faith disputes the amount claimed, has fully paid any amounts not in dispute, and provides adequate surety for all disposed amounts.
- 11.4 Right to Set Off Unpaid Amounts: In the event the Shipper does not pay the full amount due Crossroads in accordance with Section 11.1 hereof, Crossroads, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Crossroads to Shipper, whether in connection with this Agreement or otherwise, against any and all amounts or monies due or owing by Shipper to Crossroads for services performed by Crossroads for Shipper.
- 11.5 Late Billing: If presentation of a bill by Crossroads is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.
- 11.6 Challenges to Invoices: If Shipper challenges all or part of an invoice, Shipper must, within the time period prescribed in Section 11.1 herein, submit remittance detail explaining in detail the reasons for the challenge and the amount of the invoice being challenged. All such remittance details must reflect the applicable Crossroads invoice number. If Shipper challenges only part of an invoice, it shall timely remit payment for the undisputed portion.

11.6 Adjustment of Billing Error: In the event an error is discovered in any bill rendered by Crossroads, the amount of such error shall be adjusted, provided that claim therefore shall have been made within twenty-four (24) months from the date such bill was rendered. The adjustment shall be made within thirty (30) days of such timely claim.

12. NOTICE OF CHANGES IN OPERATING CONDITIONS

Crossroads and Shipper shall notify each other from time to time as necessary of changes and expected changes in the rates of delivery or receipt of gas, or in the pressures or other operating conditions, and the reason for such changes or expected changes, to the end that the other party may be prepared to properly react to such changes when they occur.

13. NOMINATION AND NOTIFICATION

13.1 Shippers' Nomination and Notification Requirements:

(a) Shipper shall furnish or cause to be furnished to Crossroads on the day prior to gas flow daily nominations of throughput requirements, in dekatherms for U.S. transactions and Gigajoules for Canadian transactions, by individual point(s) of receipt and delivery.

(b) All times stated in this Section 13 are in Central Clock Time ("CCT").

(c) The Timely Nomination Cycle:

- (1) 11:30 a.m.: Nomination leaves control of the Shipper
- (2) 11:45 a.m.: Receipt of nomination by Crossroads
- (3) 12:00 p.m.: Crossroads provides Quick Response
- (4) 3:30 p.m.: Completed confirmation from upstream and downstream connected parties received by Crossroads
- (5) 4:30 p.m.: Receipt of scheduled quantities by Shipper and point operator

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

(d) The Evening Nomination Cycle:

- (1) 6:00 p.m.: Nomination leaves control of the Shipper
- (2) 6:15 p.m.: Receipt of nomination by Crossroads
- (3) 6:30 p.m.: Crossroads provides Quick Response
- (4) 9:00 p.m.: Completed confirmation from upstream and downstream connected parties received by Crossroads

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- (5) 10:00 p.m.: Crossroads provides scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

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

- (e) Intra-Day Nominations: Any nominations submitted after the deadline set forth in Sections 13.1(c) above shall be an intra-day nomination. An intra-day nomination shall be effective for one Gas Day only. An intra-day nomination shall specify an effective date, time and the daily quantity.

(1) The Intra-day 1 Nomination Cycle:

- (a) 10:00 a.m.: Nomination leaves control of the Shipper
- (b) 10:15 a.m.: Receipt of nomination by Crossroads
- (c) 10:30 a.m.: Crossroads provides Quick Response
- (d) 1:00 p.m.: Receipt of completed confirmations by Crossroads from upstream and downstream connected parties
- (e) 2:00 p.m.: Crossroads to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties)

Scheduled quantities resulting from Intra-day 1 Nominations should be effective at 5:00 p.m. on Gas Day.

(2) The Intra-day 2 Nomination Cycle:

- (a) 5:00 p.m.: Nomination leaves control of the Shipper
- (b) 5:15 p.m.: Receipt of nomination by Crossroads
- (c) 5:30 p.m.: Crossroads provides Quick Response
- (d) 8:00 p.m.: Receipt of completed confirmations by Crossroads from upstream and downstream connected parties
- (e) 9:00 p.m.: Crossroads to provide scheduled quantities to affected Shippers and point operators

Scheduled quantities resulting Intra-day 2 Nominations should be effective at 9:00 p.m. on Gas Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.

- (f) End of gas day: Crossroads will make available on request scheduled quantities information, including intra-day nominations and any other scheduling changes.

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Crossroads may, at its discretion and in a non-discriminatory fashion, waive these deadlines.

- (g) All nominations must include Shipper-defined begin and end dates within the term of the Shipper's contract. All nominations, other than intra-day nominations, will remain in effect until changed by Shipper or Shipper's agent.
- (h) Additionally, Shipper must identify the contract(s) and contract number(s) under which the gas received at each point of receipt was transported on the pipeline immediately upstream of such point of receipt and the corresponding contract number(s) Shipper intends to transport such gas on Crossroads. Where Shipper intends to transport gas received at such point of receipt on multiple contracts on Crossroads, Shipper shall designate the priority with which Crossroads shall allocate gas among Shipper's multiple contracts on Crossroads if the quantity of gas nominated by Shipper is not received by Crossroads. Where Shipper delivers gas at such point of receipt under multiple upstream contracts, Shipper shall designate the priority of those contracts under which Crossroads shall deliver quantities of gas to Shipper's corresponding

contract (s)

on

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Superseding: First Revised Sheet No. 40

Crossroads if the full quantity nominated by Shipper is not confirmed by Crossroads or actually received, Shipper must provide this information in its initial nomination. If Shipper fails to do so, Crossroads may deem the Shipper's nomination to be zero(0).

- (i) Intra-Day Nomination Changes: Subject to the terms hereof and all applicable Rate Schedules and Service Agreements, any such nomination change is subject to confirmation by all upstream supply sources and downstream Delivery Point operators. An intra-day nomination may be used to increase or decrease gas flow, or to change receipt and delivery points.
- (j) Untimely nominations (See Section 13.1 herein) shall be scheduled after all timely nominations. Untimely nominations will be scheduled in the order in which they are made.
- (k) Authorized overrun service must be nominated separately under Rate Schedules FT-1 and IT-1.
- (l) Shipper is responsible for nominating sufficient quantities of gas to cover Crossroads' reimbursement for fuel under Article 15 of the General Terms and Conditions. Shipper may use the following standard fuel calculation when nominating:  
$$1\text{-fuel \%}/100 \times \text{receipt quantity} = \text{delivery quantity}$$
- (m) Crossroads shall provide notice to any Shipper bumped as a result of an intra-day nomination in the manner specified in Section 21.6(a) of its General Terms and Conditions.
- (n) Crossroads will waive daily penalties under Section 3.7 of Rate Schedule IT-1 for bumped interruptible shippers on the day of the bump.

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13.2 All nominations are subject to confirmation in accordance with the timetable set forth in Section 13.1(a) herein, by Crossroads and by upstream and downstream sources, Crossroads will not confirm any amounts nominated by Shipper unless and until such nominations are confirmed by both upstream sources and downstream Delivery Point operators.

Shipper shall have the sole responsibility to nominate amounts at upstream sources and downstream Delivery Points in a timely manner according to the procedures of the operator of the upstream source and/or downstream Delivery Point.

- 13.3 No Bump Policy: Except as provided by Section 13.1 hereof, once all or a portion of the nomination of a Shipper who is paying the maximum rate is accepted and scheduled, said scheduled and flowing service shall not be interrupted unless (a) such capacity is required to provide a higher priority firm service or (b) curtailment is necessary pursuant to the provisions of Section 19.
- 13.4 Shipper's Designee: At least ten (10) days prior to the commencement of service by Crossroads, Shipper must provide written notice to Crossroads designating a person to provide the nomination information set forth in this Section. Shipper may designate another person to provide this information by providing Crossroads at least ten (10) days prior written notice thereof. If Shipper designates another person to provide this information, Crossroads shall be entitled to rely on the scheduled previously provided by Shipper unless and until Crossroads receives at least ten (10) days prior written notice to the contrary.
- 13.5 Additional Information: Shipper will comply with reasonable requests by Crossroads for additional information which Crossroads believes is necessary to perform service hereunder or to comply with the valid reporting requirements of the Commission or other regulatory agencies having jurisdiction.

#### 14. SCHEDULING OF DELIVERIES

Crossroads shall schedule all firm transportation quantities prior to the scheduling of all interruptible and overrun transportation quantities requested through the affected receipt or delivery points.

- 14.1 Transportation quantities shall be scheduled in accordance with the following priorities:

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- (a) (i) Firm Transportation quantities within Shipper's Firm MDQ from Primary Receipt Point to Primary Delivery Point under the FT-1 Schedule.
- (ii) Firm Transportation quantities within Shipper's Firm MDQ from Primary Receipt Point to Secondary Delivery Point under the FT-1 Rate Schedule.
- (iii) Firm Transportation quantities within Shipper's Firm MDQ from Secondary Receipt Point to Primary Delivery Points.
- (iv) Firm Transportation quantities within Shipper's Firm MDQ from Secondary Receipt Point to Secondary Delivery Points.
- (b) (i) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Rate Schedule from Primary Receipt Point to Primary Delivery Point.
- (ii) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Primary Receipt Point to Secondary Delivery Point.
- (iii) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Secondary Receipt Point to Primary Delivery Point.
- (iv) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Secondary Receipt Point to Secondary Delivery Point.
- (c) (i) Firm authorized overrun quantities as defined in Section 7 under the FT-1 Rate Schedule, from Primary Receipt Point to Primary Delivery Point.
- (ii) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule, from Primary Receipt Point to Secondary Delivery Point.
- (iii) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule from Secondary Receipt Point to Primary Delivery Point.

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**First Revised Sheet No. 43** First Revised Sheet No. 43 : Effective  
Superseding: Substitute Original Sheet No. 43

- (iv) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule from Secondary Receipt Point to Secondary Delivery Point.
- (d) (i) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Primary Receipt Point to Secondary Delivery Point.
- (ii) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Primary Receipt Point to Secondary Delivery Point.
- (iii) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Secondary Receipt Point to Primary Delivery Point.
- (iv) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Secondary Receipt Point to Secondary Delivery Point.

Shippers under priority (a) above will be scheduled pro rata and shippers under priorities (b) and (c) above will be scheduled based on the level of the Transportation Charge, highest to lowest, as set forth on Exhibit A to each Shipper's Service Agreement. For purposes of comparing nominations based on price, a Negotiated Rate Customer paying a rate higher than the maximum Recourse Rate will be deemed to be paying a rate equal to such maximum Recourse Rate.

Service to Shippers within each priority listed above will be prorated should available capacity or volume not be sufficient to satisfy all contracts within the priority.

Shippers submitting untimely nominations will be scheduled, within each priority listed above, after shippers submitting timely nominations. Such untimely nominations will be scheduled in the order in which they were received.

14.2 Receipt and Delivery Point capacity will be scheduled in accordance with the following priorities:

- (a) (i) Firm Transportation quantities within Shipper's Firm MDQ from Primary Receipt Point to Primary Delivery Point under the FT-1 Rate Schedule.
- (ii) Firm Transportation quantities within Shipper's Firm MDQ from Primary Receipt Point to Secondary Delivery Point under the FT-1 Rate Schedule.
- (iii) Firm Transportation quantities within Shipper's Firm MDQ from Secondary Receipt Point to Primary Delivery Points.

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- (iv) Firm Transportation quantities within Shipper's Firm MDQ from Secondary Receipt Point to Secondary Delivery Points.
- (b) (i) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Rate Schedule from Primary Receipt Point to Primary Delivery Point.
- (ii) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Primary Receipt Point to Secondary Delivery Point.
- (iii) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Secondary Receipt Point to Primary Delivery Point.
- (iv) Interruptible Transportation quantities within Shipper's MDQ under the IT-1 Schedule from Secondary Receipt Point to Secondary Delivery Point.
- (c) (i) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule, from Primary Receipt Point to Primary Delivery Point.
- (ii) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule from Primary Receipt Point to Secondary Delivery Point.
- (iii) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule from Secondary Receipt Point to Primary Delivery Point.
- (iv) Firm authorized overrun quantities as defined in Section 7 under FT-1 Rate Schedule from Secondary Receipt Point to Secondary Delivery Point.
- (d) (i) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Primary Receipt Point to Primary Delivery Point.
- (ii) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Primary Receipt Point to Secondary Delivery Point.

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Superseding: Original Sheet No. 45

- (iii) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Secondary Receipt Point to Primary Delivery Point.
- (iv) Interruptible authorized overrun quantities as defined in Section 6 under the IT-1 Schedule from Secondary Receipt Point to Secondary Delivery Point.
- (b) (i) Gas Parking or Lending Service quantities within Shippers' Maximum Parking or Lending Quantity under the GPS/GLS Rate Schedule.

15. GAS REIMBURSEMENT QUANTITY

- 15.1 The Gas Reimbursement Quantity ("GRQ") shall be determined by multiplying Customer's scheduled receipts at the Point(s) of Receipt by the Gas Reimbursement Percentage ("GRP"). During the term of the service agreements executed hereunder, Crossroads will periodically track changes in its requirement to retain gas in-kind in compensation for the quantities of gas used to provide service to Shippers.
- 15.2 The Gas Reimbursement Percentage (GRP) is 0.2%. Crossroads may file to adjust the GRP six (6) months after receipt of a certificate authorizing Crossroads to perform interstate natural gas transportation service and then on an annual basis if required.

16. WARRANTY OF TITLE

Shipper warrants for itself, its successors and assigns that it has good title to the gas delivered to Crossroads free and clear of any and all liens, encumbrances and claims whatsoever. Shipper agrees to defend, indemnify and save Crossroads harmless from any and all suits, claims, liens and encumbrances of whatever nature relating to gas delivered to Crossroads for the title thereto.

17. POSSESSION OF GAS AND RESPONSIBILITY

As between Crossroads and Shipper, Shipper shall be deemed to be in control and possession of, and responsible for, all gas delivered to Crossroads at the Point(s) of Receipt set forth in an executed Service Agreement, after which Crossroads shall be deemed to be in control and possession of, and responsible for, such gas until it is delivered at the Point(s) of Delivery set forth in an executed Service Agreement.

18. DELIVERY POINT AND RECEIPT POINT

- 18.1 Receipt Point(s): The Receipt Point(s) shall be at the inlet side of Crossroads' facilities at the point of interconnection between the facilities of

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Superseding: Original Sheet No. 46

Crossroads and those of Shipper or Shipper's designee, and shall be designated Primary or Secondary, as set forth in the Service Agreement. The Shipper or Shipper's designee shall prioritize, by contract number on the immediate upstream Pipeline, the order in which natural gas is to be received into Crossroads for each Primary and Secondary Receipt Point utilized by the Shipper. In the absence of any contrary designation by Shipper, the Shipper's gas received at the Receipt Point(s) will be allocated based on the actual quantity of gas received for the Shipper at the Receipt Point(s) as follows: first to all Firm Transportation Contracts, designating the point as a Primary Receipt Point according to their scheduled amounts up to the MDQ, then to all Firm Transportation Contracts designating the point as a Secondary Receipt Point according to the scheduled amounts up to the MDQ, then to all Interruptible Transportation Contracts, then to Firm Authorized Overrun Service where the underlying contract designates the Point as Primary, then to Firm Authorized Overrun Service where the underlying contract designates the Point as Secondary, then to all Interruptible Authorized Overrun Service, then to all Gas Parking or Lending Service.

- 18.2 Shipper Contract Allocation: The allocation of gas available for delivery by Crossroads for the Shipper will be the actual quantity of gas received by Crossroads for the Shipper. Shipper may designate a priority for allocation of such actual receipts if such actual receipts are less than scheduled amounts. In the absence of such a designation by Shipper, the Shipper's actual quantity of Gas available for delivery to the Delivery Point(s) will be allocated as follows: first to all Firm Contracts designating the point as a Primary Delivery Point according to the scheduled amounts up to the MDQ, then to all Firm Contracts designating the point as Secondary Delivery Point according to the scheduled amounts up to their MDQ, then to all Interruptible Contracts, then to all Firm authorized overrun service where the underlying contract designates the Point as Primary, then to all Firm authorized overrun service where the underlying contract designates the point as Secondary, then to all Interruptible authorized overrun service, then to all Gas Parking or Lending Service.
- 18.3 Delivery Point(s): The Delivery Point(s) shall be the outlet side of Crossroads' facilities at the point of Interconnection between the facilities of Crossroads and those of Shipper or Shipper's designee, and shall be designated Primary or Secondary as set forth in the Service Agreement.
- (a) Crossroads Controlled Meter: Crossroads will deliver the actual quantity of gas made available to be delivered according to the priorities set out in Section 18.2. The differences between the actual

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Superseding: Original Sheet No. 47

physical takes and the scheduled amounts will be covered with an Operational Balancing Agreement (OBA) with the immediate downstream operator.

- (b) Point Operator Controlled Meter: Crossroads will deliver the actual quantity of gas made available to be delivered according to the priorities set out in Section 18.2. The differences between the actual physical takes and the scheduled amounts will be covered with an Operational Balancing Agreement (OBA) with the Point Operator. The physical differences covered by this OBA will be subject to the Daily Imbalance Penalties as defined in Section 3.8 of the FT-1 Rate Schedule and Section 3.7 of the IT-1 Rate Schedule and will be the responsibility of the Point Operator.
- (c) Point Operator Controlled Meter: In lieu of the OBA specified in Section 18.3(b) above, the Point Operator may determine the actual physical takes by contract number within 24 hours of the close of the gas day and report those actual takes to Crossroads. The difference between the allocations and the physical takes will be subject to the Daily Imbalance Penalties as defined in Section 3.8 of the FT-1 Rate Schedule and Section 3.7 of the IT-1 Schedule and will be the responsibility of the Point Operator.

19. CURTAILMENTS AND INTERRUPTIONS

19.1 When Crossroads temporarily needs to curtail or interrupt service to Shipper hereunder in any portion of the said pipeline system due to force majeure events or for the purpose of making necessary alterations or repairs thereon, Crossroads shall give Shipper as much notice as possible up to the amount of time specified in Shipper's Service Agreement, but not less than forty-eight (48) hours except in case of emergency. Crossroads shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary.

Service shall be curtailed as follows:

- (a) Last - Firm Transportation Quantities within Shipper's firm MDQ under the FT-1 Rate Schedule.
- (b) Third - Interruptible Transportation Quantities within Shipper's interruptible MDQ under the IT-1 Rate Schedule and Authorized

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**First Revised Sheet No. 48** First Revised Sheet No. 48 : Effective  
Superseding: Substitute Original Sheet No. 48

Overrun Quantities under the FT-1 Rate Schedule, as defined in Section 7 of said Rate Schedule

- (c) Second - Authorized Overrun Quantities under the IT-1 Rate Schedule, as defined in Section 6 of said Rate Schedule.
- (d) First - Gas Parking or Lending Quantities within Shipper's Maximum Parking or Lending Quantity under the GPS/GLS Rate Schedule.

Curtailments within category (a) above will be on a pro rata basis, established by reference to each Shipper's MDQ. Curtailments within categories (b), (c), and (d) above will be first to Shippers paying less than the applicable maximum rate, with Shippers receiving the greatest discount from the applicable maximum rate curtailed first. Shippers paying the maximum applicable rate shall be curtailed on a first-come, first-served basis established by reference to each Shipper's valid request date for the service being curtailed. For purposes of determining priority when curtailment is based on price, a Negotiated Rate Customer paying a rate higher than the maximum Recourse Rate will be deemed to be paying a rate equal to such maximum Recourse Rate.

In instances in which a curtailment on Crossroads is necessitated by a curtailment of service on an upstream or downstream facility and Crossroads can identify the specific shipper on Crossroads whose upstream or downstream service is curtailed, Crossroads will curtail such specific Shipper.

19.2 Force majeure curtailment or interruption may be ordered by Crossroads as to service being performed by its system at any time when force majeure affects or in Crossroads' judgment threatens to affect Crossroads' ability to provide full shipments, upon the giving of such notice as is reasonable under the circumstances.

19.3 Situation Reports and Notices

- (a) Crossroads will use its best efforts to provide Shipper with five (5) days advance notice of planned curtailment or interruption of transportation service except as stated in Section 19.3(b) below.
- (b) In the case of curtailment or interruption due to (a) unanticipated causes where five (5) days advance notice is not possible or (b) force majeure, Crossroads shall provide Shipper with a notice of curtailment or interruption at a time and in a manner that is reasonable under the existing conditions, and shall in any event confirm in writing the notice given if originally provided telephonically.

- (c) Shipper shall have the responsibility to inform its suppliers, other transporters and all others involved in the transportation, as to any curtailment or interruption.
- (d) Shipper shall hold Crossroads harmless for any and all claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Crossroads pursuant to the terms hereof, except that Crossroads shall not be held harmless for its own negligence or willful misconduct.

20. CONDITIONS OF RECEIPT AND DELIVERY

- 20.1 Receipt and Delivery Quantities: If Shipper does not accept the quantity nominated by Shipper at the Delivery Point on any day or days, then Crossroads may refuse to receive gas from Shipper at the Receipt Point on such day or days. Crossroads may refuse to deliver quantities to Shipper at the Delivery Point if Shipper should be unable to provide the equivalent quantities to Crossroads at the Receipt Point.
- 20.2 Daily Rates of Flow: The gas to be transported hereunder shall be received and delivered at uniform hourly and daily rates of flow as nearly as practicable, subject to the daily nominations as provided in Shipper's applicable Rate Schedule and Section 13 hereof. It is recognized that due to operating conditions, the quantities of gas received and delivered may not be in balance on any one particular day. Crossroads and Shipper shall endeavor to keep such variance to a minimum.
- 20.3 Flow Control: Nothing contained herein or in Crossroads' Rate Schedules shall limit Crossroads' right to operate flow control or other equipment to require Shippers to remain precisely in balance as to receipts and deliveries at any time. Failure by Crossroads to operate flow control or other equipment, or any allowance by Crossroads of imbalances up to or exceeding balancing limits shall not limit Crossroads' right to require Shippers to maintain strict balances or Crossroads' right to operate flow control or other equipment to require Shippers to remain precisely in balance.

21. OPERATIONAL FLOW ORDERS (OFOs)

- 21.1 Crossroads will have the right to issue an OFO to any Shipper or OBA Party when, in Crossroads' sole judgement, an OFO is required to alleviate conditions which threaten system integrity, safety or service or to ensure compliance

**Second Substitute Original Sheet No. 50** Second Substitute Original Sheet No. 50 : Effective  
Superseding: Substitute Original Sheet No. 50

with the provisions contained in this Tariff. During conditions which threaten system integrity, safety or service, an OFO will not be issued to protect interruptible service.

Examples of conditions which may cause OFOs to be issued include, but are not limited to:

- (a) Actual receipts exceeding scheduled receipts causing high pressure requiring Crossroads to back off scheduled receipts;
- (b) Unscheduled pipeline maintenance and repairs affecting capacity;
- (c) Non-compliance with the balancing requirements of any service where such non-compliance threatens Crossroads' system integrity; and
- (d) When the applicable tolerance level has not been exceeded by an individual Shipper or OBA Party but on a system-wide basis, pipeline operations require stricter tolerance levels for operational reasons.

21.2 An OFO may be issued on a contract basis or on all or a portion of the system. Ordinarily, an OFO issued by 10:00 a.m. on a Gas Day will be effective at 9:00 a.m. the following Gas Day. When extreme conditions exist, or lesser notice if necessary, may be given. An OFO may be issued for a specific period of time or until further notice is given.

21.3 (a) Any Shipper or OBA Party subject to an OFO will be deemed to be in compliance with the OFO if its actual Quantities do not vary from the Quantities specified in the OFO by more than the tolerance level stated in the OFO, which shall not be less than two percent (2%). If the actual Quantities vary from the Quantities specified in the OFO by more than the tolerance level, the excess variance shall be subject to a \$25 per dekatherm penalty; provided, however, in no event will this penalty apply until Shipper or OBA Party has had at least two hours to take the actions required to comply with the OFO or is unable to comply due to force majeure, as defined in Section 30 herein.

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**Substitute Original Sheet No. 51** Substitute Original Sheet No. 51 : Effective  
Superseding: Original Sheet No. 51

- (b) When an OFO is issued, daily scheduling penalties applicable to the affected Shipper or party and affected Quantities will be replaced by the penalty provisions of the OFO.
- 21.4 Nothing shall limit Crossroads' right to take action as may be required to physically adjust actual receipts and actual deliveries of Gas in order to alleviate conditions which threaten the integrity of its system.
- 21.5 If Shipper or OBA Party has no daily scheduling variance on receipts and no contract imbalances, Crossroads will not issue an OFO requiring that Shipper or party to increase receipts. Additionally, Shipper will not be required to increase deliveries to Crossroads in excess of Shipper's MDQ.
- 21.6 Situation Reports, Notices and Indemnity
  - (a) Crossroads shall use reasonable efforts to provide Shipper or OBA Party through the Crossroads EBB system with such notice of OFOs as is reasonable under then existing conditions, and shall in any event confirm the notice by telephone and facsimile transmission. Such notice shall be provided to the person, including any agent, designated by the Shipper or OBA Party to submit or confirm nominations.
  - (b) Crossroads shall have no responsibility to inform Shipper's or OBA Party's end users, suppliers, other transporters or any others involved in the transaction, as to any OFO.
  - (c) Shipper or OBA Party shall indemnify Crossroads from and against any and all losses, damages, expenses, claims, suits, actions, and proceedings whatsoever threatened, incurred, or initiated as a result of Crossroads' performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of Crossroads' negligence, bad faith or willful misconduct.

22. OPERATIONAL BALANCING AGREEMENTS (OBA) AND PRE-DETERMINED ALLOCATIONS

- 22.1 For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of gas to and from Crossroads' facilities, Crossroads may execute an Operational Balancing Agreement ("OBA") with an operator of a Point of Receipt or a Point of Delivery interconnecting with Crossroads' system (herein called OBA Party). Such an OBA shall specify the gas custody transfer procedures, including but not limited to, allocations of gas flow among parties and/or contracts, to be followed by Crossroads and OBA Party for the confirmation of scheduled quantities to be received by Crossroads at the Point of Receipt or delivered by Crossroads at Point of Delivery. Such an OBA will provide that any variance between actual quantities and confirmed nomination quantities at the point where the OBA is in place for any Gas Day shall be subject to daily scheduling and monthly balancing provisions as set forth in the applicable Rate Schedule under which the gas is transported on Crossroads and that such daily scheduling and monthly balancing variances are the responsibility of the OBA Party. The tolerance level for an OBA shall be ten percent (10%).

To facilitate the determination of variances under an OBA on a timely basis, Crossroads and the OBA Party will agree on necessary measurement and accounting procedures. Crossroads shall post on the Crossroads EBB System those Points of Receipt and Points of Delivery at which an OBA is in effect.
- 22.2 Crossroads shall have no obligation to negotiate and execute an OBA with any party.
- 22.3 Pre-determined Allocations ("PDAs"): In the absence of an effective OBA at any point of receipt or delivery, gas shall be allocated on a daily basis among parties and/or contracts at any such point in accordance with a PDA or, in the alternative, in accordance with the default mechanism set forth in this section.

**Third Substitute Sheet No. 52** Third Substitute Sheet No. 52 : Effective  
Superseding: Second Substitute Sheet No. 52

- (a) Contents of a PDA: A party submitting a PDA to Crossroads shall provide the following information:
  - (i) Whether the allocation methodology selected is ranked, pro rata, percentage, and swing; and
  - (ii) Contract number(s) and location(s) of the affected point(s).  
Multi-tier allocations are not required.
- (b) Deadlines for submission of a PDA:
  - (i) The party providing confirmation at the affected point shall submit the PDA to Crossroads no earlier than the time established for confirmation of gas flows in Section 13.1(a) herein and no later than the start of the gas day. Only one PDA should be submitted per allocation period.
  - (ii) Welded parties should agree on who submits a PDA methodology and who allocates at the point before gas flows.
  - (iii) Crossroads will confirm receipt of the PDA within 15 minutes.
- (c) Reporting of daily operational allocations after gas flows:
  - (i) Crossroads will report daily operational allocations no later than one business day after the close of the gas day to the lowest level of detail provided in nominations.
  - (ii) In reporting such operational allocations, Crossroads will use scheduled quantities, if that is the best data available.
  - (iii) 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.

22.4 Default Allocation Methodology: In the event that neither an OBA nor a PDA is in effect at a point, Crossroads will apply GISB Standard 2.3.18, which is adopted herein by reference .

22.5 Nothing in this Section 22 nor in any executed OBA shall limit Crossroads' rights to take any action as may be required to adjust receipts and deliveries under any Service Agreement to ensure that such receipts and/or deliveries reflect actual quantities received and/or delivered through such points or to ensure system integrity.

23. OPERATION OF RATE SCHEDULES IN CONJUNCTION WITH  
MARKETING AFFILIATES

- 23.1 All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner without regard to whether the Gas transported is sold by Crossroads or any of Crossroads' affiliates or any other seller of Gas.
- 23.2 In addition to sharing office space with an affiliate, Crossroads shares telephone equipment and a mid-size computer system with its affiliates, Crossroads does not share any operating personnel with any of its marketing affiliates. The mid-size computer equipment, including access to all computer data bases, is password protected in order to maintain segregation of utilization and confidential access to the system.
- 23.3 The specific information and format required from a Shipper for a valid Request for Transportation Service, including transactions in which an

affiliated marketer is involved, are set forth in Section 6 of the General Terms and Conditions of this Tariff.

- 23.4 Crossroads shall keep a log for both affiliates and non-affiliates of contract dates and other relevant information used to allocate capacity. The affiliate log will be posted on the EBB in accordance with the Commission's regulations.

24. PROCEDURES USED TO ADDRESS AND RESOLVE COMPLAINTS BY SHIPPERS AND POTENTIAL SHIPPERS

- 24.1 Crossroads will endeavor to respond to and resolve complaints by Shippers and potential Shippers regarding service, requests for service or requests for information about service on an informal basis in a satisfactory manner. If, however, a Shipper or potential Shipper finds the informal procedure inadequately resolves complaint(s) or question(s) and elects to file a written complaint with Crossroads Pipeline, the procedures described in Sections 24.2 through 24.4 should be followed.

- 24.2 Any Shipper or potential Shipper who desires to submit a written complaint regarding service, a request for service or a request for information about service should report such complaint with sufficient details, in writing to:

Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
Attn: Manager

- 24.3 Crossroads will acknowledge receipt of such written complaint within seven (7) days. Crossroads will review such complaint and notify the Shipper or potential Shipper in writing within sixty (60) days of the date of receipt of the written complaint, of the results of the review.

- 24.4 If the Shipper or potential Shipper is not satisfied with the results of Crossroads' complaint review, that person is encouraged to recontact Crossroads promptly in writing to request further consideration such that Crossroads and the complainant may settle the complaint between themselves.

- 24.5 The Shipper or potential Shipper, if unable to achieve a satisfactory complaint resolution with Crossroads, may file a complaint with the FERC.

25. GAS RESEARCH INSTITUTE ("GRI") SURCHARGE PROVISION

25.1 Purpose: Crossroads participates in the activities and financing of Gas Research Institute ("GRI"), an Illinois not-for-profit corporation. GRI has been organized for the purpose of sponsoring Research, Development and Demonstration ("R&D") programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public.

For the purpose of funding of GRI's approved expenditures, this Section 25 establishes a GRI Surcharge to be applicable to quantities transported under Crossroads' Rate Schedules, provided, however, such charge shall not be applicable to Shippers which are interstate pipelines and which include in their rates a charge for R&D by GRI, and provided, further, that a GRI Surcharge shall not be applied if a downstream pipeline collects a GRI Surcharge on the same gas.

25.2 Basis of the GRI Surcharge: Crossroads' Rate Schedules shall include an increment for a GRI Surcharge for R&D. Such GRI Surcharge shall be that increment, adjusted to Crossroads' measurement basis (dekatherms), which has been approved by FERC Orders approving GRI's R&D expenditures. The GRI Surcharge shall be reflected on Sheet No. 6 of this Tariff.

25.3 Filing Procedure: The initial GRI Surcharge or any subsequent changes in such Surcharge shall be filed by Crossroads to be effective on the effective date prescribed by the FERC. Any such filing shall not become effective unless the GRI Surcharge becomes effective without suspension or refund obligation.

25.4 Remittance to GRI: Crossroads shall remit to GRI all monies received by virtue of the GRI Surcharge, less any amounts properly payable to a Federal, State or Local authority relating to the monies received hereunder.

25.5 Payment by Shipper: The amount of applicable Shipper's GRI Surcharge shall be due and payable with Shipper's monthly bill.

26. ANNUAL CHARGE ADJUSTMENT ("ACA") CLAUSE

26.1 Purpose: The purpose of Section 26 is to establish an ACA Clause as permitted by Section 154.38(d)(6) of the Commission's Regulations under the Natural Gas Act ("NGA"), which allows a natural gas pipeline company

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**Second Substitute Original Sheet No. 55** Second Substitute Original Sheet No. 55 : Effective  
Superseding: Substitute Original Sheet No. 55

to adjust its rates annually to recover from its customers annual charges assessed it by the Commission under Part 382 of the Commission's Regulations.

This Section establishes an ACA unit charge to be applicable to the following Rate Schedules:

Rate Schedule FT-1 - Firm Transportation  
Rate Schedule IT-1 - Interruptible Transportation  
Rate Schedule GPS/GLS - Gas Parking or Lending Service

- 26.2 Basis of the ACA Unit Charge: The Rate Schedules specified in Section 26.1 herein shall include an ACA unit charge. Such ACA unit charge shall be that annual charge unit rate, adjusted to Crossroads' pressure base and heating value, as appropriate, which shall be authorized by the Commission each fiscal year. Changes to the ACA unit charge shall be filed annually to reflect the annual charge unit rate authorized by the Commission for such fiscal year. The ACA unit charge shall be reflected on Sheet No. 6 of this Tariff.
- 26.3 Filing Procedure: The notice period and proposed effective date of filings pursuant to this subsection shall meet the requirements of Section 154.207 of the Commission Regulations, unless, for good cause shown, a lesser notice period and different effective date is allowed by valid Commission order.

27. OPERATING TOLERANCES

It is recognized that receipts from Shipper and deliveries by Crossroads may vary above or below the quantities scheduled on any day. Such variations shall be kept to the minimum permitted by operating conditions and shall be balanced as soon as practicable within the time provided in Shipper's Service Agreement, but in no event shall exceed an allowable daily variation of ten percent ( 10%) of the scheduled quantities, and provided further that the cumulative net variations during any month above or below the quantities scheduled shall not exceed ten percent ( 10%) of the sum of the scheduled quantities for each day of such month.

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Superseding: Original Sheet No. 56

28. PROCEDURES USED BY CROSSROADS PIPELINE TO INFORM  
SHIPPERS AND POTENTIAL SHIPPERS

28.1 Information about the availability and pricing of  
transportation service may be obtained in the following  
ways:

(a) Crossroads will provide twenty-four hours access by  
electronic means to the data specified in Section  
250.16(c) of the Commission's regulations and to the  
information described in Sections 161.3(h)  
of the Commission's regulations which must be  
provided contemporaneously to current Shippers and  
potential Shippers. Crossroads reserves the right in  
its sole judgement to utilize facsimile or telex  
machine to provide contemporaneous information to  
current and potential Shippers (as defined in Section  
161.2 of the Commission's regulations). Access to the  
bulletin board may be obtained by using  
telecommunication industry standard equipment and  
software. Contact Crossroads, Administrative  
Supervisor at telephone number 219-647-5744 for  
access instructions. Crossroad's normal rates for  
electronic access will apply to persons desiring to  
access Crossroads' bulletin board. In case of an  
access problem, immediately contact Crossroads for  
assistance in correcting such problem. Crossroads or  
its designees may charge a reasonable user fee for  
electronic bulletin board access.

(b) Interested Shippers may call Crossroads at phone  
number (219) 647-5744 for data on the availability of  
service and for data on the current and any proposed  
rates for service. Written inquiries may be addressed  
to:

Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
Attn: Manager

(c) Interested Shippers may review the public information  
available at the FERC, this Tariff and reports and  
forms filed by Crossroads. A comparison of the most  
recently filed Form 2-A and the Annual Report of  
Capacity filed pursuant to Section 284.12 of the  
Commission's regulations will give the general  
availability of service. A review of Crossroads' Tariff  
will provide the applicable price for transportation  
service.

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Original Sheet No. 57 Original Sheet No. 57 : Effective

- (d) Any changes in the pricing of transportation service will be provided to the current Shippers via a copy of the proposed tariff sheets mailed to the Shipper's place of business.

29. APPLICABLE LAWS, REGULATIONS AND WAIVERS

- 29.1 Duly Constituted Authorities, Laws, and Regulations: These General Terms and Conditions for Transportation Service and the Rate Schedules and Service Agreements to which these apply shall be subject to all valid laws of the United States and of the State of Indiana and State of Ohio and the orders, rules and regulations of duly constituted authorities having jurisdiction. Service Agreements subject to the provisions of these General Terms and Conditions are voidable by Crossroads, in whole or in part, in the event that the orders, rules, or regulations in effect on the date of execution of the Service Agreement are stayed, overturned, or revised in a way that is unsatisfactory to Crossroads.
- 29.2 Suits and Proceedings: As to all matters within its actual or imputed control, Shipper represents and warrants that service hereunder and all arrangements incident thereto conform to applicable laws, orders, rules, regulations and tariffs. Shipper agrees to indemnify and hold Crossroads harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought or instituted by any party or authority having jurisdiction, except that Shipper shall not indemnify or hold Crossroads harmless for Crossroads' own negligence or willful misconduct.
- 29.3 Waiver of Default: No waiver by Shipper or Crossroads of any one or more defaults by the other in performance of the provisions of these General Terms and Conditions for Transportation Service and the Rate Schedules and Agreements to which these apply shall be construed as a waiver of any future default or defaults, whether of a like or a different character.

30. FORCE MAJEURE

- 30.1 If either party shall fail to perform any obligation imposed upon it by these General Terms and Conditions or by an executed Service Agreement other than the payment of money, and such failure shall be caused, or materially contributed to, by: any acts of God; strikes; lockouts; or other industrial disturbances; act of public enemies; sabotage; wars; blockages; insurrections; riots; epidemics; landslides; lightning; earthquakes; floods; storms; fires; washouts; arrests and restraints of rulers and peoples; civil disturbances; explosions; breakage of or accidents to machinery or lines of pipe, materials

or equipment; the failure of any of Shipper's gas suppliers to deliver gas, or failure of Shipper to receive gas, in accordance with its obligations if such failure is occasioned by an event or occurrence of the character described in this Section as constituting force majeure; any legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means; any act or omission whether of the kind herein enumerated or otherwise not within the control of the party involving this Section and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning machinery, equipment, or pipelines, not resulting from the fault or negligence of such party; such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgement to the demands of the opposing parties.

- 30.2 No such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation presenting its performance, nor shall any such cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.
- 30.3 The obligations and liabilities of Shipper with respect to payment of the Reservation Charge under circumstances of non-delivery shall be negotiated by Crossroads and Shipper and reflected in Shipper's Service Agreement. Except as explicitly provided therein, such obligations and liabilities shall not be subject to any counterclaim, set-off, deduction or defense based upon any claim that Shipper may have against Crossroads or any other person or entity (whether arising under the Service Agreement or otherwise), and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by any circumstances or condition that might constitute a legal or equitable discharge or defense of Shipper or any other reason (whether or not Shipper shall have any knowledge or notice thereof).

31. LIABILITY OF PARTIES

Crossroads and Shipper each assume full responsibility and liability for the maintenance and operation of its respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all

damage, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party; provided however, that neither party agrees to indemnify the other party for the negligence of the other party, its agents, servants or employees.

32. CAPACITY RELEASE PROGRAM

- 32.1 Purpose: This Section sets forth the specific terms and conditions applicable to Crossroads' Capacity Release Program.
- 32.2 Definitions: For the purposes of this Section, the following definitions will apply to Capacity Releases.
- (a) Releasing Shipper: A firm Shipper or Replacement Shipper under an executed Service Agreement subject to Part 284 of the Commission's regulations who intends to have Crossroads post on its EBB all or any portion of its firm service to be released to a Replacement Shipper, or to a Prearranged Replacement Shipper through a prearranged capacity release transaction, or which has released its firm service.
  - (b) Replacement Shipper: A Shipper which has contracted for service with Crossroads subject to Part 284 of the Commission's regulations to utilize a Releasing Shipper's released firm service for a specified period of time. Replacement Shippers must meet all of the terms and conditions of Crossroads' tariff as required by any other Shipper.
  - (c) Potential Replacement Shipper: A Shipper which desires to acquire released firm capacity.
  - (d) Prearranged Replacement Shipper: A party who desires to contract directly for or who has contracted directly for capacity which is subject to Part 284 of the Commission's regulations and who has agreed to the terms of a capacity release transaction directly with a Releasing Shipper, which terms a Releasing Shipper posts to the EBB or provides to Crossroads for posting to the EBB. Prearranged Replacement Shippers must meet all of the terms and conditions of Crossroads' tariff as required of any other shipper.

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Superseding: Sub Original Sheet No. 60

32.3 Applicability: This Section is applicable to any Shipper who has a Service Agreement under Rate Schedule FT-1 contained in this FERC Gas Tariff and who elects to release, subject to the Capacity Release Program set forth herein, all or a portion of its transportation rights. Shippers under Rate Schedules FT-1 shall be permitted to release their capacity on a temporary or permanent basis, in accordance with this Section. Capacity which may be assigned to the Replacement Shipper hereunder shall be limited to the firm capacity reserved by the Releasing Shipper, as defined by the primary Points of Receipt and the primary Points of Delivery contained in the released capacity. Releases may be made on an interruptible (i.e., subject to recall) or firm basis and may be billed by Crossroads based on usage.

Crossroads shall continue to sell its unsubscribed firm capacity by providing notice of the availability of such capacity on Crossroads' EBB System or by using any other marketing service at its disposal.

Crossroads' EBB will also provide the capability for any Potential Replacement Shipper to post its offer to purchase capacity.

The maximum rate that may be paid for released capacity shall be the applicable maximum tariff rate; provided, however, that until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year.

32.4 Notice Requirement: A Shipper that desires to release any or all of its firm capacity under this Section must notify Crossroads electronically, in accordance with the time schedule set forth in this Article 32, of its intent to release capacity and the terms of the release.

(a) Shipper's notice shall include the following information:

- (1) Releasing Shipper's contract number and rate schedule;
- (2) the specific quantity of capacity to be released;
- (3) term of availability;
- (4) if the request for release is on a permanent basis;
- (5) The Points of Receipt and Points of Delivery at which Releasing Shipper will release capacity and the quantity of capacity to be released at each point;
- (6) rates;
- (7) whether the capacity will be firm or recallable;

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- (8) the method under which capacity is to be allocated, and if highest net present value is to be utilized, the current interest rate as defined in 18 C.F.R. § 154-67(c)(2)(iii)(A);
- (9) whether the Releasing Shipper will accept contingent bids and, if so, under what conditions contingent bids will be accepted;
- (10) The identity of a Prearranged Replacement Shipper, if applicable;
- (11) The minimum rate, term, and quantity of capacity Releasing Shipper shall accept, if any, and whether bids using a volumetric rate for the collection of Reservation charges will be accepted. For releases that are subject to the maximum tariff rate, the maximum volumetric rate that may be bid shall not exceed the one hundred percent (100%) Load factor equivalent of the maximum reservation rates. The one hundred percent (100%) Load factor equivalent for such rates equals the maximum overrun rate for the applicable service being released as set forth on the effective rate tariff sheets;
- (12) The duration of the posting which may not be less than the minimum bid period specified in Section 32.7 herein;
- (13) whether the Releasing Shipper is willing to accept contingent bids that extend beyond the open season, and the terms and conditions, whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take the capacity if the contingency does not occur;
- (14) The best bid criterion if different from that described in Section 32.8 herein, the method by which volumetric or contingent bids will be evaluated, and any alternate, objective and nondiscriminatory method for breaking ties. The best bid evaluation method established by Releasing Shipper must be objectively state, applicable to all Prearranged Replacement Shippers or replacement Shippers and not unduly discriminatory and shall enable

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Crossroads to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper's notice;

- (15) If the release is for a period of 31 days or less the Releasing Shipper may designate in the Shipper's notice the winning bid criterion to be the first acceptable bid received. Such capacity release shall not contain an evergreen provision and cannot be reassigned to the same Replacement Shipper within twenty-eight (28) Gas Days from the termination of such release, except in the event the Replacement Shipper is bidding on a second release under a different Service Agreement;
- (16) Restrictions, if any, on the Prearranged Replacement Shipper's or Replacement Shipper's ability to request changes in primary Points of Receipt or primary Points of Delivery; and
- (17) Whether the Shippers notice may be rejected in part in the event Crossroads rejects such Shipper's notice pursuant to Section 32.11.
- (18) the date when bids and executed Service Agreements must be submitted;
- (19) the party to contact; and
- (20) any other special terms or conditions.

Such notice must be applicable to all potential bidders and non-discriminatory.

- (b) Releasing Shipper shall submit the Shipper's notice electronically.

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- (c) When a Releasing Shipper presents a Prearranged Replacement Shipper that is on the approved bidders list, such Prearranged Replacement Shipper shall acknowledge the Shipper's release notice through Crossroads EBB System as a prerequisite to the posting of the Shipper's notice
- (d) The term a Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions of Crossroads tariff. In the event of such conflict, Crossroads may withdraw the Shipper's notice from Posting.

#### 32.5 Exceptions to Bidding

At Shipper's option, a Shipper's notice for a release of 31 days or less, or for a term of one year or more at the maximum tariff rate applicable to the release, (exempt capacity release) shall not be subject to the bidding process in accordance with Section 32.5 herein, if:

- (1) Releasing Shipper notifies Crossroads electronically, by 9:00 a.m. on the day nominations are due for gas flows under the prearranged release, by providing the information required by section 32.4(a) herein. The Prearranged Replacement Shipper for such exempt capacity release must acknowledge acceptance of the exempt capacity release through Crossroads' EBB System and may nominate on the exempt capacity release in accordance with Section 13 herein.
- (2) An exempt capacity release does not contain an evergreen provision and cannot be reassigned to the same Prearranged Replacement Shipper within twenty-eight (28) Gas Days from the termination of each release, except in the event the Prearranged Replacement Shipper is bidding the maximum rate (for releases with a term of one year or more) or is bidding on a second release under a different Service Agreement.

Crossroads will post such exempt capacity release data on the Crossroads' EBB System within two Business Days of notification of the exempt capacity release.

- (b) In the event Releasing Shipper presents a Prearranged Replacement Shipper that is on the approved bidders list, and such Prearranged Replacement Shipper agrees to pay the applicable Maximum Rate (for releases with a term of one year or more)

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and agrees to all other conditions of the release prior to the submission of the Shipper Notice to Crossroads, the released capacity will be assigned to the Prearranged Replacement Shipper and such Shipper's notice shall be posted on the Crossroads' EBB System with no bid period. The Prearranged Replacement Shipper will be posted as the winning bidder in accordance with Section 32.7 herein.

32.6 Approved Bidders List: In order to submit a valid bid under this capacity release program, any party, including a Prearranged Replacement Shipper, must be on the approved bidders list. To be on the approved bidders list, a party must meet the provisions of Section 7 herein and have executed a capacity release service agreement with Crossroads in the form set forth in this Tariff (Capacity Release Service Agreement). A party shall remain on the approved bidders list until such party notifies Crossroads to the contrary, no longer meets the credit qualifications in Section 7 herein, or is suspended from the approved bidders list in the event and for such time as such party fails to pay part or all of the amount of any bill for service in accordance with Section 11 herein.

32.7 Bidding Process

- (a) Crossroads will post all offers to release capacity and bids for released capacity upon receipt, unless the releasing shipper requests otherwise. If the releasing shipper requests a different posting time, Crossroads will use its best efforts to comply with such request, provided the request complies with the timelines set forth in Sections 32.7(d) and 32.7(e) herein.
- (b) The timelines set forth in Sections 32.7(d) and (e) shall be applicable to all releases of capacity provided that:
  - (i) All information provided by the parties to the transaction is valid;
  - (ii) The replacement shipper is on the Approved Bidders List;
  - (iii) The offer to release capacity contains no special terms or conditions, including, but not limited to, methods for determining the best bid other than highest rate, net revenue, or net present value.
- (c) If the offer to release capacity contains special terms and conditions, or a method of determining the best bid other than highest rate, net revenue, or net present value, the offer to release shall specify in detail the special terms and conditions and the timeline applicable to the bidding process.
- (d) The following timeline shall apply to all other offers and bids for releases of capacity of less than five (5) months (all times are in Central Clock Time):
  - (i) Offers to release capacity must be posted no later than 1:00 p.m. on the day prior to nomination.
  - (ii) Open season for bids on offers to release capacity will end at 2:00 p.m. on the day prior to nomination.
  - (iii) The evaluation period, during which contingencies on offers and bids are eliminated, the best bid is determined, and ties among bids are broken, begins at 2:00 p.m. and ends at 3:00 p.m. on the day prior to nomination.
  - (iv) Match or award will be communicated by 3 p.m.
  - (v) Match response will be communicated by 4 p.m.
  - (vi) The capacity will be awarded no later than 5:00 p.m. on the day prior to nomination.

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- (vii) The award of capacity will be posted by Crossroads no later than 5:00 p.m. on the day prior to nomination, and such postings will remain available on Crossroads' EBB for five (5) business days.
- (viii) Crossroads shall post exempt capacity releases no later than 9:00 a.m. on the day of nomination.
- (ix) Crossroads will tender to the replacement shipper a contract, with a contract number, no later than 10:00 a.m. on the day of nomination.
- (e) The following timeline shall apply to all other releases of capacity of five (5) months or longer:
  - (i) Offers to release capacity must be posted no later than 1:00 p.m. four (4) business days prior to the award of capacity.
  - (ii) The open season for bids on offers to release capacity will end at 2:00 p.m. on the day prior to nomination.
  - (iii) The evaluation period, during which contingencies on offers and bids are eliminated, the best bid is determined, and ties among bids are broken, begins at 2:00 p.m. and ends at 3:00 p.m. on the day prior to nomination.
  - (iv) Match or award will be communicated by 3 p.m.
  - (v) Match response will be communicated by 4 p.m.
  - (vi) The capacity will be awarded no later than 4:00 p.m. on the day prior to nomination.
  - (vii) Crossroads shall post the award of capacity no later than 5:00 p.m. on the day prior to nomination, and such postings will remain on Crossroads' EBB for five (5) business days.
  - (viii) Crossroads shall post exempt capacity releases no later than 9:00 a.m. on the day of nomination.
  - (ix) Crossroads will tender to the replacement shipper a contract, with a contract number, no later than 10:00 a.m. on the day of nomination.

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- (f) If provided for in an offer of release, the releasing shipper may recall capacity by providing notice, in writing and electronically, to Crossroads and the replacement shipper by no later than 8:00 a.m. on the day of nomination. Partial day recalls will not be accepted.
- (g) Withdrawal of Offers and Bids: All offers to release capacity may be withdrawn, due to unanticipated circumstances, prior to the close of the open season if no minimum bids have been made. Bids cannot be withdrawn after the bid period ends . All offers and bids are binding following the close of the open season and prior to the receipt by Crossroads of a notice of withdrawal in writing and electronically.
- (h) Contingencies in Offers and Bids: Any contingencies in offers and bids must be eliminated by the close of the evaluation period. Any offers and bids with unresolved contingencies at the end of the evaluation period will be rejected by Crossroads.
- (i) A releasing shipper will not be able to specify an extension of the original bid period or the pre-arranged deal match period without posting a new release. Reput method and rights should be specified by the releasing Shipper at the time of release. Reput method and rights are individually negotiated between the releasing shipper and replacement shipper.
- (j) Where there is a Prearranged Replacement Shipper and an offer which is better than the bid submitted by the Prearranged Replacement Shipper, Crossroads will notify the Prearranged Replacement shipper by 9:00 a.m. of the next Business Day and the Prearranged Replacement Shipper will have until 12:00 noon on the next Business Day after notification to match the better offer and obtain the right to the released capacity. When the capacity being released is for a term of one year or greater, the Prearranged Replacement Shipper shall have an additional Business Day to match the better offer. Crossroads shall issue an Addendum to the Prearranged

Replacement

Shipper unless a better or best offer, as defined in Section 32 herein, is received within the time period specified in the posting. In the event the Prearranged Replacement Shipper does not match the better offer, Crossroads shall issue an Addendum to the party who made the better or best offer.

32.8 Determination of the Best Bid

- (a) All bids must reflect the number of decimal places included in Crossroads' tariffed rates, and should be adjusted (as set forth in Section 32.8(d) herein) to reflect a standard calculation of daily and monthly rates. The releasing shipper may specify whether bids should be expressed in dollars and cents or in percentages of Crossroads' tariffed rates. All maximum or minimum rates set forth in the offer of release should include the reservation rate and all applicable demand surcharges, either as a total number or expressed separately.
- (b) Crossroads will account for volumetric and reservation components of rates.
- (c) Quantities in offers and bids should be set forth numerically. The release quantity should be expressed numerically in daily and total figures for transportation capacity.
- (d) 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 5 decimal places and rounding up or down to the 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 5 decimal places and rounding up or down to the transporter's specified decimal place.
- (e) The releasing shipper may define in the notice of release the criteria for determining the best bid.
- (f) If the notice of release does not specify the criteria for determining the best bid, Crossroads will determine the best bid by Economic Value. The Economic Value of a bid shall be defined as the net present value of the reservation bid for the release of transportation capacity. The net present value shall be computed from the monthly demand and capacity charge or reservation revenues to be received over the term of the release contract, except that under a Negotiated Rate agreement with a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In making the determination of net present value, Crossroads will use the discounted cash flow rate of return methodology, with the rate of discounting to be published on Crossroads' EBB, as amended from time to time.
- (g) In the event of identical best bids, the first bid received shall be the winning bid. In the event of identical bids received simultaneously, Crossroads will award the capacity pro rata among the bidders submitting identical best bids. If multiple bids meeting the minimum criteria set forth in the offer of release are received, Crossroads will award the capacity, best bid first, until all offered capacity has been awarded.

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32.9 Rights and Obligations of Releasing Shipper

- (a) Regardless of the amount of capacity Releasing Shipper releases under this Section, Releasing Shipper shall remain liable for all charges, attributable to the released capacity unless otherwise agreed to in writing and in advance by Crossroads, except that Releasing Shipper shall not be liable for penalties or other charges incurred by the replacement Shipper through its own conduct. In the event of a permanent release, Crossroads will waive liability of Releasing Shipper for such charges.
  
- (b) When capacity is awarded to Replacement Shipper, Releasing Shipper must adjust or reconfirm its nominations within 24 hours or prior to the time nominations are due for the next gas day, whichever is shorter, to reflect the capacity released. Crossroads will automatically change Releasing Shipper's nominations to zero for the Service Agreement under which capacity was released unless such nominations are adjusted or reconfirmed by the Releasing Shipper within 24 hours or prior to the time nominations are due for the next gas day, whichever is shorter.

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- (c) When Releasing Shipper partially releases its capacity under a Service Agreement by releasing capacity between specific Points of Receipt and Points of Delivery or by releasing only a portion of its MDQ, Releasing Shipper's Service Agreement shall be deemed to be modified in accordance with the release and Releasing Shipper may not utilize the capacity released during the term of the release.
- (d) Releasing Shipper shall retain all Rights of First Refusal with respect to the released capacity, unless such release is a permanent release.
- (e) In the event of termination of a Replacement Shipper's Addendum pursuant to Section 32.10 herein, the released capacity related to such Addendum will revert to the Releasing Shipper.

32.10 Rights and Obligations of Replacement Shipper

- (a) Any bid submitted will bind Replacement Shipper or Prearranged Replacement Shipper to the terms of the bid if Crossroads selects such bid as the best bid. Crossroads will provide the Addendum to the Capacity Release Service Agreement by the end of the next Business Day after notification to the party with the winning bid or to the Prearranged Replacement Shipper, whichever is applicable.
- (b) Replacement Shipper may submit nominations pursuant to Section 13 herein upon notification of the winning bid; however, in no event will gas flow on Replacement Shipper's Service Agreement prior to the effective date of the release as posted in the Shipper Notice.
- (c) Replacement Shipper is responsible for payment of the applicable Reservation Charge, and any surcharges thereon, in the amount of its winning bid. Replacement Shipper is also responsible for all other billings, e.g., usage rate and applicable usage surcharges. In the event of payment default, subject to Section 11 herein, Crossroads may elect to terminate that Replacement Shipper's Capacity Release Service Agreement which shall terminate all service thereunder utilized by the Replacement Shipper.
- (d) Once Replacement Shipper or Prearranged Replacement Shipper is notified of a winning bid, such Replacement Shipper or Prearranged Replacement Shipper shall have all the rights and obligations specified under the Releasing Shipper's Rate Schedule, the Releasing Shipper's Service Agreement and the General Terms and Conditions of this Tariff including the right to release firm capacity pursuant to this Section unless the conditions prescribed by the Shipper Notice require otherwise.

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- (e) Replacement Shipper shall have no Right of First Refusal with respect to the released capacity, unless such release is permanent.

32.11 Rights and Obligations of Crossroads

Crossroads shall determine, in its sole discretion, the best bid based upon the best bid criteria established pursuant to Section 32.4(a)(14) or Section 32.8 herein. Crossroads shall have the right, but not the obligation, to reject, in whole or in part, the terms of any Shipper's notice or bid which is discriminatory or conflicts with any order or regulation issued by the FERC, or provision of the Service Agreement, Rate Schedule or General Terms and Conditions. Such Shipper's notice shall be rejected in its entirety unless Shipper, pursuant to Section 32.4(a)(14), permits a partial rejection. Crossroads shall notify Shipper in writing of the reason for such rejection within 24 hours. Crossroads shall not have any liability to any Shipper, Releasing Shipper, Replacement Shipper, bidder or any other party as a result of Crossroad's performance of its obligations under its capacity release program, and such Shippers, Releasing Shippers, Replacement Shippers, and bidders shall indemnify Crossroads from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of Crossroads' performance hereunder, except to the extent such loss, damage, expense, claim, suit, action or proceeding is the result of Crossroads' negligence, bad faith or willful misconduct.

32.12 Term

Any release under this Section shall be for a maximum term expiring on the earlier of:

- (a) The last date of this Tariff provision shall be effective;
- (b) The expiration date of Releasing Shipper's Service Agreement when the release is for the full term of such agreement; or
- (c) The expiration date specified by the Releasing Shipper in the Shipper's notice.

32.13 Billing Adjustments to Releasing Shipper

- (a) Crossroads shall credit Releasing Shipper's monthly bill to reflect the Reservation Charge and any other applicable charges (including

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

surcharges, if any) invoiced to Replacement Shipper. In the event of a release with a volumetric rate, the volumetric rate shall be no greater than the 100% Load factor equivalent of the maximum rate currently applicable to the service released (except for releases of less than one year) and shall be credited to the Releasing Shipper's monthly bill. Replacement Shipper's payment of the Usage Charge and applicable usage surcharges, if any, will be retained by Crossroads.

- (b) If Replacement Shipper fails to pay all or any part of the Reservation Charge so credited within thirty (30) days of its due date, then such unpaid amount plus interest will be charged to Releasing Shipper's next monthly bill and will be due and payable by Releasing Shipper in accordance with Section 11 hereof.
- (c) Crossroads and Releasing Shipper may enter into a marketing agreement. In the event Crossroads issues an Addendum to a Replacement Shipper found by Crossroads pursuant to such marketing agreement, any negotiated marketing fee will be debited to Releasing Shipper's invoice.

### 33. ELECTRONIC COMMUNICATIONS

- 33.1 (a) Crossroads' Electronic Bulletin Board ("EBB") is accessed through EnerNet Corporation, 13111 Northwest Freeway, Houston, Texas, (713)939-5800, Facsimile (713) 939-5838. Access is nondiscriminatory and available to any party upon execution of a EnerNet Subscription Form for Crossroads. Copies of the EnerNet Subscription Form for Crossroads are available upon request from EnerNet. EnerNet reserves the right to make minor changes to the Subscription Form from time to time. EnerNet's charges are as follows:

|                          |               |
|--------------------------|---------------|
| Initial Setup Fee:       | \$15.00       |
| License Fee:             | \$25.00/Month |
| Interactive Release Fee: | \$25.00/Month |
| On Line Connect Fee:     | \$1.00/Minute |

- (b) All electronic communications may also be transmitted, in appropriate circumstances, via the industry standard electronic data interchange mechanism. Such mechanism will be available on a non-discriminatory basis, to any party that has entered into an appropriate written agreement with Crossroads.
- 33.2 Service: Crossroads' EBB shall provide such data as described in and shall be in compliance with FERC Order No. 636 by providing:

**Second Substitute Original Sheet No. 70** Second Substitute Original Sheet No. 70 : Effective  
Superseding: Substitute Original Sheet No. 70

- (a) a means to advertise for (i) a Releasing Shipper desiring to release all or a portion of its firm transportation rights; or (ii) Potential Replacement Shipper desiring to purchase such transportation rights in accordance with Section 32.3 and 32.4 of Crossroads' First Revised Volume No. 1 Tariff;
  - (b) a means for posting results of prearranged deals for capacity releases of less than one (1) calendar month and for the upload of such prearranged deals.
  - (c) a means for a party to post notice of its desire to purchase capacity should such become available;
  - (d) a means for posting Order No. 497 compliance information as reported on FERC Form No. 592;
  - (e) a periodic purging of information on completed transactions from current files; and
  - (f) the display of most recent entries ahead of information posted earlier.
- 33.3 Bid Submission: Parties wishing to bid on released capacity shall post their bids electronically. Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth in Section 32 hereof, must adhere to all terms and provisions of this Tariff.
- 33.4 Information: The EBB shall contain information concerning the availability of capacity:
- (a) at receipt points;
  - (b) on the mainline;
  - (c) at delivery points; and
  - (d) whether the capacity is available from Crossroads directly or through Crossroads' Capacity Release Program set forth in Section 32 of this Tariff.
  - (e) Upon request, Crossroads will provide information regarding operationally available capacity separate from unsubscribed capacity.

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FERC Docket: RP97-145-001

**Substitute Original Sheet No. 71** Substitute Original Sheet No. 71 : Effective  
Superseding: Original Sheet No. 71

33.5 Archives: Crossroads' EBB shall be fully operational no later than the effective date of the tariff sheets implementing Crossroads' Capacity Release Program set forth in Section 32 hereof. Archived information shall consist of daily backup records of all information displayed on the EBB and through the industry standard electronic data interchange mechanism. Shippers with appropriate agreements with Crossroads shall have access to all information specifically identified in Section 33.4 hereof and Crossroads shall retain backup records for such information for three (3) years which shall be archived and reasonably accessible.

Functionality: Crossroads will maintain on-line documentation, provide menu-driven access and "user-friendly" interfaces to the information and transactions. The menus and data will be structured to allow for direct access to specific transportation log records, notices of capacity, standards of conduct and other pertinent information. Crossroads will also provide a method for customers to download information contained in its EBB files.

Subscribers who will submit bids or post capacity release notices electronically must execute Crossroads' Agreement.

Telecommunications equipment and software to be supplied by user:

|           |  |
|-----------|--|
| Modem:    | 1200 baud or higher Hayes or Hayes-compatible  |
| Software: | Any standard asynchronous telecommunications software (including ProComm Plus, Cross Talk, and SmartCom) |

Archived data from the EBB is available upon written request to Crossroads.

Summary or rates:

|                |    |                |
|----------------|----|----------------|
| Retrieval Fee: | \$ | 20 per hour    |
| Handling Fee:  | \$ | 25 per request |

34. TERM OF EXECUTED SERVICE AGREEMENTS

34.1 Firm Service Agreements. The term to be covered by an executed Firm Service Agreement shall be as mutually agreed at the time of execution. Upon the expiration of the primary term, the term of such Firm Service Agreement shall continue from year-to-year until terminated either by Crossroads or by Shipper upon twelve months prior written notice to the

other specifying a termination date at the end of such agreed period or any yearly period thereafter unless the applicable Service Agreement provides otherwise.

- 34.2 Interruptible Service Agreements. The primary term to be covered by an executed Interruptible Service Agreement shall be as mutually agreed at the time of execution. Upon the expiration of the primary term, the term of such Interruptible Service Agreement shall continue from month-to-month until terminated either by Crossroads or by Shipper upon one month's prior written notice to the other specifying a termination date at the end of such agreed period or any monthly period thereafter unless the applicable Service Agreement provides otherwise.

35. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT

- 35.1 Applicability. This Section 35 applies to service agreements executed pursuant to open access rate schedules governed by those provisions of the regulations promulgated by the FERC that pregrant abandonment authorization under Section 7(b) of the NGA.
- 35.2 Short-Term and Interruptible Agreements. A Shipper receiving service under a Firm Service Agreement having a primary term of less than one year ("short-term service agreement") or under an Interruptible Service Agreement, is not entitled to retain a right to service following the termination of such Service Agreement. Upon termination of a short-term service agreement or an Interruptible Service Agreement, Crossroads shall have all necessary abandonment authorization under the NGA as of such termination date.
- 35.3 Long-Term Firm Agreements. To the extent a Shipper satisfies the bid matching requirements of this Section 35 or Crossroads and Shipper reach agreement as contemplated by Section 35.9 below, such Shipper may retain its capacity and continue to receive service under a Firm Service Agreement with a primary term of one year or more ("long-term firm service agreement") for which Crossroads has served notice of termination. If Shipper does not satisfy the bid matching requirements of this Section 35 or Crossroads and Shipper do not reach agreement as contemplated by Section 35.9 below, Shipper shall no longer have, as of the termination date of the contract, rights under the long-term firm service agreement for which Crossroads has served notice of termination, and Crossroads shall have all necessary abandonment authorization under the NGA except as provided in Section 35.9 below. Shipper is not entitled to retain a right to service

following a termination by the Shipper of its long-term firm service agreement, and Crossroads shall have all necessary abandonment authorization under the NGA with respect to such service. Crossroads shall provide Shipper notice of termination of Long-Term Firm Agreements no later than 180 days prior to the contract termination for a contract of 1 years to 3 years and 1 year prior to the contract termination for contracts greater than 3 years in length.

- 35.4 Notice and Posting. Within thirty days of the issuance by Crossroads of a Notice of Termination of a long-term firm service agreement, Crossroads shall post on its electronic bulletin board the following information:
- (a) Point(s) of Receipt and Point(s) of Delivery;
  - (b) the specific quantity available under the terminated contract;
  - (c) the date of expiration; and
  - (d) the current maximum rate applicable to the terminated service.
- 35.5 Submission of Bids. Bids from Shippers who desire service to be provided in whole or in part by the capacity to be made available upon termination of a long-term firm service agreement ("Potential Shippers") must be received by Crossroads no later than thirty (30) days after posting by Crossroads of a Notice of Termination of the service agreement noticed pursuant to Section 35.4. A bid shall be considered to be an offer to enter into a service agreement that remains open until retracted in writing or until Crossroads accepts a competing bid. To be a valid bid, a bid must comply with the bid requirements set forth in Section 35.6 below. At the close of such bidding period, Crossroads shall select among the valid bids the Best Bid, as determined pursuant to Section 35.7 below, and shall relay the relevant terms of such Best Bid to the Shipper whose long-term firm service agreement is being terminated by Crossroads. If Shipper elects to match, as determined by Section 35.8 below, the Best Bid, the Shipper shall be entitled to retain its capacity and continue to receive service under a long-term firm service agreement which reflects the matching of the relevant terms of the Best Bid. If Shipper does not match the Best Bid, then Shipper's existing long-term firm service agreement shall terminate and Crossroads shall have all necessary abandonment authorization under the NGA. In the event there is no Best Bid for Shipper to match, Section 35.9 shall determine whether Shipper shall be entitled to retain its capacity and continue to receive service.

**Second Revised Sheet No. 74** Second Revised Sheet No. 74 : Effective  
Superseding: First Revised Sheet No. 74

- 35.6 Bid Requirements. To be a valid bid, a bid must be in writing and be executed by one authorized to sign contractual agreements on behalf of the Potential Shipper, and the Potential Shipper must in all other particulars have complied with the requirements for a request for service pursuant to Section 6 of these General Terms and Conditions and meet the credit evaluation standards set forth in Section 7 of these General Terms and Conditions. If the Potential Shipper's bid is matched or if the Potential Shipper fails to satisfy all of Crossroad's Tariff provisions governing Shipper eligibility, Crossroads will refund the Potential Shipper's prepayment supplied pursuant to Section 7 of the General Terms and Conditions within thirty (30) days of the first day of the month following notice to the Potential Shippers and the bid has been matched or that the Potential Shipper has failed to satisfy the tariff provisions governing Shipper eligibility. The prepayment will not be refunded if the bid is withdrawn by the Potential Shipper. Crossroads may reject all bids which would require Crossroads to discount below a rate and discount term agreeable to Crossroads.
- 35.7 Best Bid. Crossroads shall review all bids from Potential Shippers received pursuant to Section 35.5 above, which have not been rejected by Crossroads, to determine which bid is the Best Bid. For purposes of this Section 35, the Best Bid shall be the bid with the longest term which offers the maximum applicable rate for the full term of the bid. If no bidder offers the maximum rate for the full term of the bid, the Best Bid shall be that bid which yields to Crossroads the highest net present value. Net present value shall be calculated on the basis of the present value of the reservation charge per unit to Crossroads, except that if a bid includes a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In making the determination of net present value, Crossroads shall apply the rate, as of the date of the review, stated in accordance with the most recently auctioned fifteen-year (15) United States Treasury Bond, to all bids. In the event of a tie, the capacity shall be allocated to the Potential Shipper requesting capacity for a longer duration. If the duration is the same, the capacity shall be allocated pro rata among the Potential Shippers.
- 35.8 Matching the Best Bid. Upon written notification from Crossroads of the terms of the Best Bid, Shipper shall have the right for a thirty-day (30) period to notify Crossroads whether the Shipper is willing to match the Best Bid, provided, however, that the highest rate that an existing Shipper must match to retain all, or a portion, of its capacity is the applicable maximum Recourse Rate. Failure to notify Crossroads in writing within said thirty-day (30) period constitutes a non-revocable waiver of Shipper's right to match the Best Bid. In order to match the Best Bid, Shipper must agree to execute a service agreement for a contract term equal to or longer than the contract term set forth in the Best Bid, up to a period of five (5) years; provided, however, the maximum rate an existing Shipper must match is the maximum

rate Crossroads can charge for delivery to the existing Shipper's Point(s) of Delivery under the agreement that is subject to the Shipper's right to match the Best Bid.

- 35.9 Mutual Agreement. In the event Crossroads does not receive any bids pursuant to Section 35.5 above or Crossroads rejects all bids received, Crossroads and Shipper may mutually agree upon the terms and conditions under which Shipper shall be entitled to retain its capacity and continue to receive service. In the event Crossroads and Shipper have not reached agreement on the terms and conditions under which service will be extended before the termination date of the service agreement, at Shipper's election, service for all or part of the contractual quantity will be extended for a term to be specified by the Shipper, so long as Shipper agrees to pay the maximum rate.

36. MISCELLANEOUS PROVISIONS

- 36.1 Waiver of Default: No waiver by either party of any default by the other in the performance of any provisions of an executed Service Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.
- 36.2 Assignability: A Service Agreement shall bind and inure to the respective successors and assigns of the parties thereto, but no assignment shall release either party from such party's obligations without the written consent of the other party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledges or mortgages (or to a trustee for the holder of such indebtedness) any money due or to become due under any Service Agreement.
- 36.3 Effect of Headings: The headings used through these General Terms and Conditions and in executed Service Agreements are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any paragraph nor to be deemed in any way to qualify, modify or explain the effects of any such terms or provisions.
- 36.4 Pipeline's Policy on Delivery Laterals: Crossroads will not be obligated to build or contribute to the cost of building any delivery lateral. Nothing in this Policy Statement shall require Crossroads to file an application for a

**Seventh Revised Sheet No. 76** Seventh Revised Sheet No. 76 : Effective  
Superseding: Sixth Revised Sheet No. 76

certificate of public convenience and necessity under Section 7 (c) of the NGA with respect to any such delivery lateral pipeline. Nothing in the General Terms and Conditions of this Tariff shall prevent Crossroads from contesting an application for service filed pursuant to Section 7(a) of the NGA. Crossroads reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Commission instituted under Section 7 of the NGA.

37. ORDER OF DISCOUNTS

The first item of the overall reservation charge discounted will be the GRI surcharge followed by the base rate reservation charge and then the ACA surcharge.

38. GISB STANDARDS

Crossroads has adopted all of the Business Practices and Electronic Communication Standards that were incorporated in 18 C.F.R. § 284.10(b) in accordance with Order Nos. 587 et al. In addition to the standards which are reflected in other provisions of this tariff, the following GISB standards, definitions, and data sets, Version 1.3, are incorporated herein by reference: 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.17, 1.1.19, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.3.2(v), 1.3.2(vi), 1.3.3, 1.3.4, 1.3.7, 1.3.9, 1.3.13, 1.3.14, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.1.2, 2.1.3, 2.2.1, 2.3.1, 2.3.2, 2.3.6, 2.3.8, 2.3.9, 2.3.10, 2.3.14, 2.3.15, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.22, 2.3.27, 2.3.31, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 3.3.1, 3.3.2, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.11, 3.3.12, 3.3.15, 3.3.16, 3.3.17, 3.3.20, 3.3.21, 3.3.22, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 5.3.9, 5.3.10, 5.3.12, 5.3.15, 5.3.17, 5.3.18, 5.3.19, 5.3.23, 5.3.24, 5.3.30, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16 and 5.4.17. In addition, Crossroads incorporates herein by reference the GISB Model Trading Partner Agreement.

GENERAL TERMS AND CONDITIONS  
(continued)

39. Negotiated Rates

Pipeline and Customer may mutually agree on a Negotiated Rate formula with respect to rates, rate components, charges, or credits differing from the otherwise applicable Recourse Rate under Rate Schedules FT-1, IT-1 and GPS/GLS.

39.1 Definition

A Negotiated Rate may be less than, equal to, or greater than the maximum Recourse Rate; shall not be less than the minimum Recourse Rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity.

39.2 Limitations

This Section 39 does not authorize the negotiation of terms and conditions of service.

39.3 Recourse Rate Availability

The Recourse Rate will be available to any customer that does not wish to negotiate a rate.

39.4 Rate Treatment

Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to Negotiated Rate agreements that were converted from pre-existing discount agreements to Negotiated Rate agreements, provided that the type of pre-existing service is not altered as a result of conversion to a Negotiated Rate. With respect to all Negotiated Rate agreements resulting from conversions of pre-existing discount agreements, Transporter may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenues received; or (b) the discounted tariff rate revenues which otherwise would have been received.

39.5 Allocation of Capacity

Under any circumstances where allocation of capacity is determined by the rate being paid, a Negotiated Rate Customer paying a rate higher than the maximum Recourse Rate will be deemed to be paying a rate equal to such maximum Recourse Rate.

39.6 Bidding for Capacity

The cap for bidding for capacity under the right of first refusal provisions in Section 35 of the General Terms and Conditions of this FERC Gas Tariff is the maximum Recourse Rate.

39.7 Capacity Release

The release of capacity under a Negotiated Rate agreement is capped at the maximum Recourse Rate; provided, however, the Negotiated Rate Customer will continue to be obligated to pay Transporter the difference by which the revenue due under the Negotiated Rate agreement exceeds the revenue received from the Replacement Customer. Transporter and a Negotiated Rate Customer may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Transporter's capacity release provisions.

39.8 Accounting Treatment

Transporter will establish a new sub-account to record the revenues received from any Negotiated Rate transactions and shall maintain supporting information at a level of detail that would be sufficient for Natural Gas Act Section 4 rate change filing purposes. Transporter will keep separate and identifiable each volume transported, billing determinant, rate component, surcharge, and revenue associated with a Negotiated Rate to permit filings in the form of Statements G, I, and J in future rate proceedings.



*Effective Date: 12/02/1999 Status: Effective*

*FERC Docket: RP00- 59-000*

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

GENERAL TERMS AND CONDITIONS  
(continued)

39.9 Filing Requirement

Transporter will file, prior to the commencement of service under a Negotiated Rate agreement, a copy of the Negotiated Rate service agreement or a tariff sheet reflecting the customer's name, rate schedule, Negotiated Rate, contract quantities, and points of receipt and delivery. Such sheet also will affirm that actual Negotiated Rate agreements do not deviate in any material respect from the form of service agreements.

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*FERC Docket: RP98-400-001*

**Second Revised Sheet No. 76.1** Second Revised Sheet No. 76.1 : Effective

Superseding: First Revised Sheet No. 76.1

[RESERVED FOR FUTURE USE.]

Effective Date: 01/09/1997 Status: Effective  
FERC Docket: RP97-184-000

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

CONTRACT NO. \_\_\_\_\_

SERVICE AGREEMENT FORM A

(Applicable to Firm Transportation Service Under  
Rate Schedule FT-1 and Subject to Change to Reflect  
Negotiated Agreement Between the Parties)

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. BETWEEN

CROSSROADS PIPELINE COMPANY, having its principal office in Merrillville,  
Indiana, (hereinafter referred to as "Crossroads") and \_\_\_\_\_,  
having its principal office, in \_\_\_\_\_,  
(hereinafter referred to as "Shipper").

WITNESSETH THAT:

WHEREAS, Crossroads is a natural gas pipeline whose principal business  
is the transportation of natural gas between and among various points along  
the pipeline route from Griffith, Indiana to Cygnet, Ohio; and

WHEREAS Shipper desires Crossroads to transport volumes of gas for it  
according to the terms hereof and according to the terms of Crossroads' Gas  
Tariff and General Terms and Conditions of Service on file with the Federal  
Energy Regulatory Commission ("FERC") as such may be in effect from time to  
time and Crossroads is willing to do so:

NOW, THEREFORE, the parties agree as follows:

1. BASIC OBLIGATIONS AND CONDITIONS

- 1.1 Crossroads and Shipper shall obtain, in a form acceptable to them,  
all permits, certificates and other authorizations necessary for  
the construction and operation of the Crossroads Pipeline  
Company and connecting facilities, and for the transportation  
service to be performed thereby.
- 1.2 Crossroads agrees to receive, transport and deliver on a firm  
basis daily volumes of gas in accordance with Paragraph 2.
- 1.3 Shipper agrees to pay Crossroads in accordance with Paragraph 5.

2. QUANTITY OF GAS

- 2.1 The Firm Maximum Daily Quantity at the point(s) of receipt  
referred to in Paragraph 3 is set forth in Exhibit A attached  
hereto. No adjustment in the Firm Maximum Daily Quantity shall be  
made except by mutual agreement. No adjustment in any Firm  
Maximum Daily Quantity shall be made effective except by a  
superseding Exhibit A.
- 2.2 The Maximum Daily Quantity for each point of delivery referred to  
in Paragraph 4 is as set forth in Exhibit A attached hereto. No  
adjustment in any Maximum Daily

Quantity shall be made except by mutual agreement. No adjustment in any Maximum Daily Quantity shall become effective except by a superseding Exhibit A.

- 2.3 Crossroads agrees to deliver to Shipper at the Delivery Point or Points referred to in Paragraph 4, after transportation hereunder, the volumes of gas requested by Shipper for delivery at each such point; provided, however, that Crossroads shall not be obligated to deliver to Shipper a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper for fuel and line losses, all as computed on a thermally equivalent basis; and provided further that Crossroads shall not be obligated to deliver at the Delivery Point(s) a volume on any day which exceeds the sum of the Maximum Daily Quantities at each Delivery Point, also on a thermally equivalent basis.

3. RECEIPT POINTS

The Primary and Secondary Receipt Point or Points for gas to be transported hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, which shall not be unreasonably withheld, to change its Primary Receipt Point or designate additional Secondary Receipt Points from time to time according to the terms of Crossroads' General Terms and Conditions of Service, but no such designation shall become effective except by a superseding Exhibit A.

4. DELIVERY POINTS

The Primary and Secondary Delivery Point or Points for gas transported hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, to change its Primary Delivery Point or designate additional Secondary Delivery Points from time to time according to the terms of Crossroads' Terms and Conditions of Service, but no such designation shall become effective except by a superseding Exhibit A.

5. APPLICABLE RATE SCHEDULE, INCORPORATION BY REFERENCE

- 5.1 Rate Schedule: Shipper shall each month pay Crossroads for transportation service pursuant to this Service Agreement at rates fixed pursuant to Crossroads' Rate Schedule FT-1, or any effective superseding Rate Schedule on file with the FERC.
- 5.2 Incorporation by Reference: This Service Agreement in all respects shall be subject to the provisions of Rate Schedule FT-1 and to the applicable provisions of Crossroads' General Terms and Conditions of Service filed with the FERC, all of which are by reference made a part hereof, unless modified by provisions of Sections 5.3 and/or 11 hereof.
- 5.3 Changes in Rates and Terms: Crossroads shall have the unilateral right to file with the FERC or other appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to Rate Schedule FT-1, (b) the terms or conditions of Rate Schedule FT-1, provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions of Service applicable to Rate Schedule FT-1. Crossroads agrees that Shipper may protest or contest the aforementioned filings, or seek any authorization from duly constituted regulatory authorities for

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FERC Docket: CP94-342-006

**Substitute Original Sheet No. 79** Substitute Original Sheet No. 79 : Effective  
Superseding: Original Sheet No. 79

such adjustment of Crossroads' existing FERC Gas Tariff as may be found necessary to assure that the provisions referred to in (a), (b) or (c) of this Section 5.3 are just and reasonable.

5.4 Rate: The rates for transportation service hereunder shall be as listed on Sheet No. 6 of Crossroads Tariff for FT-1 service.

6. DELIVERY PRESSURE

Shipper agrees to deliver or cause to be delivered the gas to Crossroads at each Receipt Point at not less than the pressure specified on Exhibit A, attached hereto, or at such higher pressure as can be made available with the existing facilities, at each point of receipt. Crossroads agrees to make deliveries of gas at each Delivery Point at not less than the pressure set forth on said Exhibit A, except that Crossroads in no event shall be obligated to make deliveries of gas at any Delivery Point in excess of the then existing system operating pressure and Crossroads shall not be obligated to install compression or any other equipment to maintain delivery pressures or volumes.

7. TERM OF AGREEMENT

7.1 Effective Date: This service Agreement shall become effective on \_\_\_\_\_, which shall not be later than thirty (30) days following the date of execution of this Service Agreement or, for Service Agreements executed prior to the in-service date of the facilities, the effective date will be no later than thirty (30) days following such in-service date.

7.2 Termination Date: This Service Agreement shall continue in full force and effect for a term of \_\_\_\_\_ .

7.3 Termination Obligations: Termination of this Service Agreement shall not relieve Crossroads and Shipper of the obligation to correct any volume imbalances hereunder, or Shipper of the obligation to pay money due hereunder to Crossroads.

8. PLEDGE AND ASSIGNMENT

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper, or of Crossroads, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement; and either the Shipper or Crossroads may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment or similar instrument which they have executed or may execute hereafter, otherwise, neither Shipper or Crossroads shall assign this Service Agreement or any of their rights hereunder unless they first shall have obtained the consent thereto in writing of the other, provided further, however, that neither Shipper nor Crossroads shall be released from its obligations hereunder without the consent of the other.

9. CANCELLATION OF PRIOR CONTRACTS

This Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto for the transportation of natural gas by Crossroads for

Effective Date: 04/22/1996 Status: Effective  
FERC Docket: MT96- 10-000

**First Revised Sheet No. 80** First Revised Sheet No. 80 : Effective  
Superseding: Original Sheet No. 80

Shipper:

10. ADDRESS OF PARTIES

Every request, notice, statement and bill provided for in this Service Agreement shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

CROSSROADS - Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
ATTN: Contract Administrator

SHIPPER-

Either party may change its address by giving written notice to the other party. Any notice of changed address hereunder shall be deemed to have been given at the end of the third (3rd) working day after the day such notice has been deposited in a United States Post Office with requisite postage thereon.

11. ADJUSTMENTS TO RATE SCHEDULE AND THE GENERAL TERMS AND CONDITIONS

Sections to the Rate Schedule FT-1 and/or the General Terms and Conditions are to be adjusted for the purpose of this Service Agreement, as specified below:

12. SPECIAL PROVISIONS

IN WITNESS THEREOF this Service Agreement has been duly executed by the parties hereto as of the day and year first above written.

CROSSROADS PIPELINE COMPANY

(Name) SHIPPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Manager

Title:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97-145-001

**Substitute Original Sheet No. 81** Substitute Original Sheet No. 81 : Effective  
Superseding: Original Sheet No. 81

CONTRACT NO. \_\_\_\_\_

SERVICE AGREEMENT FORM A

Firm Transportation Service

EXHIBIT A

Date:

Quantity: Dth/D

Reservation Charge: \$ per Dth

Receipt Points:  
Primary: Quantity

Secondary: Quantity

Delivery Points:  
Primary: Quantity:

Secondary: Quantity:

Quantity:

Delivery Pressure to Crossroads: Not less than 648 psi

Supersedes Exhibit A Effective :

Crossroads (Name) of Shipper

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Effective Date: 01/09/1997 Status: Effective  
FERC Docket: RP97-184-000

**Substitute Original Sheet No. 82** Substitute Original Sheet No. 82 : Effective  
Superseding: Original Sheet No. 82

CONTRACT NO.

SERVICE AGREEMENT FORM B

(Applicable to Interruptible Transportation Service Under Rate  
Schedule IT-1 and Subject to Change to Reflect Negotiated  
Agreements Between the Parties)

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, BETWEEN

CROSSROADS PIPELINE COMPANY, having its principal office in  
Merrillville, Indiana, (hereinafter referred to as Crossroads) and \_\_\_\_\_, having  
its principal office in \_\_\_\_\_ (hereinafter referred to as "SHIPPER").

WITNESSETH THAT:

WHEREAS, Crossroads is a natural gas pipeline whose principal  
business is the transportation of natural gas between and among various  
points along the pipeline route from Griffith, Indiana to Cygnet, Ohio; and

WHEREAS, Shipper desires Crossroads to transport volumes of gas for  
it according to the terms hereof and according to the terms of Crossroads'  
Gas Tariff and General Terms and Conditions of Service on file with the  
Federal Energy Regulatory Commission ("FERC") as such may be in effect from  
time to time and Crossroads is willing to do so:

NOW, THEREFORE, the parties agree as follows:

1. BASIC OBLIGATIONS AND CONDITIONS

- 1.1 Crossroads and Shipper shall obtain, in a form acceptable to  
the, all permits, certificates and other authorizations  
necessary for the construction and operation of the  
Crossroads Pipeline Company and connecting facilities, and for  
the transportation service to be performed thereby.
- 1.2 Crossroads agrees to receive, transport and deliver on an  
interruptible basis daily volumes of gas in accordance with  
Paragraph 2.
- 1.3 Shipper agrees to pay Crossroads in accordance with Paragraph  
5.

2. QUANTITY OF GAS

- 2.1 The Interruptible Maximum Daily Quantity at the receipt point(s)  
referred to in Paragraph 3 is set forth in Exhibit A attached  
hereto. No adjustment in the Maximum Daily Quantity shall be  
made except by mutual agreement. No adjustment in any Maximum  
Daily Quantity shall be made effective except by a superseding  
Exhibit A.

2.2 The Maximum Daily Quantity for each delivery point referred to in Paragraph 4 is as set forth in Exhibit A attached hereto. No adjustment in any Maximum Daily Quantity shall be made except by mutual agreement. No adjustment in any Maximum Daily Quantity shall become effective except by a superseding Exhibit A.

2.3 Crossroads agrees to deliver to Shipper at the Delivery Point or Points referred to in Paragraph 4, after transportation hereunder, the volumes of gas requested by Shipper for delivery at each such point; provided, however, that Crossroads shall not be obligated to deliver to Shipper a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper for fuel and line losses, all as computed on a thermally equivalent basis; and provided further that Crossroads shall not be obligated to deliver at the Delivery Point(s) a volume on any day which exceeds the sum of the Maximum Daily Quantities at each point of delivery, also on a thermally equivalent basis.

3. RECEIPT POINTS

The Primary and Secondary Receipt Point or Points for gas to be transported hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, which shall not be unreasonably withheld, to change its Primary Receipt Point or designate additional Secondary Receipt Points from time to time according to the terms of Crossroads' General Terms and Conditions of Service, but no such designation shall become effective except by a superseding Exhibit A.

4. DELIVERY POINTS

The Primary and Secondary Delivery Point or Points for gas transported hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, to designate additional Secondary Delivery Points from time to time according to the terms of Crossroads' General Terms and Conditions of Service, but no such change or additional designation shall become effective except by a superseding Exhibit A.

5. APPLICABLE RATE SCHEDULE, INCORPORATION BY REFERENCE

5.1 Rate Schedule: Shipper shall each month pay Crossroads for transportation service pursuant to this Service Agreement at rates fixed pursuant to Crossroads' Rate Schedule IT-1, or any effective superseding Rate Schedule on file with the FERC.

5.2 Incorporation by Reference: This Service Agreement in all respects shall be subject to the provisions of Rate Schedule IT-1 and to the applicable provisions of the General Terms and Conditions of Service filed with the

Effective Date: 10/02/1995 Status: Effective  
FERC Docket: CP94-342-006

**Substitute Original Sheet No. 84** Substitute Original Sheet No. 84 : Effective  
Superseding: Original Sheet No. 84

FERC, all of which are by reference made a part hereof unless modified by provisions of Sections 5.3 and/or 11 hereof.

- 5.3 Changes in Rates and Terms: Crossroads shall have the unilateral right to file with the FERC or other appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to Rate Schedule IT-1, (b) the terms and conditions of Rate schedule IT-1, provided, however, that the interruptible character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions of Service applicable to Rate Schedule IT-1. Crossroads agrees that Shipper may protest or contest the aforementioned filings, or seek any authorization from duly constituted regulatory authorities for such adjustment of Crossroads' existing FERC Gas Tariff as may be found necessary to assure that the provisions referred to in (a), (b) or (c) of this Section 5.3 are just and reasonable.
- 5.4 Rate: The rates for transportation service hereunder shall be as listed on Sheet No. 6 of Crossroads Tariff for IT-1 service.

6. DELIVERY PRESSURE

Shipper agrees to deliver or cause to be delivered the gas to Crossroads at not less than the pressure specified on Exhibit A, attached hereto or at such higher pressure as can be made available with the existing facilities, at each point of receipt. Crossroads agrees to make deliveries of gas at the Delivery Point at not less than the pressure set forth on said Exhibit A, except that Crossroads in no event shall be obligated to make deliveries of gas at any Delivery Point in excess of the then existing system operating pressure and Crossroads shall not be obligated to install compression or any other equipment to maintain delivery pressures or volumes.

7. TERM OF AGREEMENT

- 7.1 Effective Date: This Service Agreement shall become effective on \_\_\_\_\_, which shall not be later than thirty (30) days following the date of execution of this Service Agreement or, for Service Agreements executed prior to the in-service date of the facilities, the effective date will be not later than thirty (30) days following such in-service date.
- 7.2 Termination Date: This Service Agreement shall continue in full force and in effect for a term of \_\_\_\_\_ .
- 7.3 Termination Obligations: Termination of this Service Agreement shall not relieve Crossroads and Shipper of the obligation to correct any volume imbalance hereunder, or Shipper of the obligation to pay money due hereunder to Crossroads.

8. PLEDGE AND ASSIGNMENT

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper, or of Crossroads, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either the Shipper or Crossroads may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment or similar instrument which they have executed or may execute hereafter; otherwise, neither Shipper or Crossroads shall assign this Service Agreement or any of their rights hereunder unless they first shall have obtained the consent thereto in writing of the other, which consent shall not be unreasonably withheld, provided further, however, that neither Shipper nor Crossroads shall be released from its obligations hereunder without the consent of the other.

9. CANCELLATION OF PRIOR CONTRACTS

This Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto for the transportation of natural gas by Crossroads for Shipper.

10. ADDRESS OF PARTIES

Every request, notice, statement and bill provided for in this Service Agreement shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

Crossroads - Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
ATTN: Contract Administrator

Shipper -

Either party may change its address by giving written notice to the other party. Any notice of changed address hereunder shall be deemed to have been given at the end of the third (3rd) working day after the day such notice has been deposited in a United States Post Office with requisite postage thereon.

11. ADJUSTMENTS TO RATE SCHEDULE AND THE GENERAL TERMS AND CONDITIONS

Sections of the Rate Schedule IT-1 and/or the General Terms and Conditions are to be adjusted for the purpose of this Service Agreement, as specified below:

Effective Date: 04/22/1996 Status: Effective  
FERC Docket: MT96- 10-000

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

12. SPECIAL PROVISIONS

IN WITNESS THEREOF this Service Agreement has been properly executed by the parties hereto with the corporate seal of each having been properly affixed and attested as of the day and year first above written.

CROSSROADS PIPELINE COMPANY

Shipper

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Manager

Title:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97-145-001

**Substitute Original Sheet No. 87** Substitute Original Sheet No. 87 : Effective  
Superseding: Original Sheet No. 87

CONTRACT NO.

SERVICE AGREEMENT FORM B

Interruptible Transportation Service

EXHIBIT A

Date:

Quantity: Dth/D

Rate: per Dth

Receipt Point:

Primary: Quantity

Secondary: Quantity

Delivery Points:

Primary: Quantity

Secondary: Quantity

Delivery Pressure to Crossroads: Not less than 648 psi

Supersedes Exhibit A Effective :

Crossroads

SHIPPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Manager

Title:

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Effective Date: 10/02/1995 Status: Effective  
FERC Docket: CP94-342-003

**Original Sheet No. 89** Original Sheet No. 89 : Effective

Crossroads shall have the right to terminate service hereunder in the following circumstances: (1) if 18 C.F.R., Part 284 of the Commission's Regulations in effect on the date stated above is stayed, modified or overturned by an appellate court or by the Commission in response to the order of an appellate court; (2) if Crossroads terminates self-implementing transportation under Section 311 of the NGPA or Section 7(c) of the Natural Gas Act on a general, non-discriminatory basis; or (3) pursuant to any effective provisions for termination of this Agreement by Crossroads as stated in the applicable Rate Schedule or the General Terms and Conditions.

#### ARTICLE 3 - RATES AND CHARGES

For the services provided or contracted for hereunder (including any Addendum hereunder), Shipper agrees to pay Crossroads the then-effective, applicable rates and charges under Crossroads' Rate Schedule FT-1 filed with the Commission, as such rates and charges and Rate Schedule FT-1 hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Crossroads reserves the right from time to time to unilaterally file and to make effective any such changes in the terms or rate levels under Rate Schedule FT-1 and the applicability thereof, the General Terms and Conditions or any other provisions of Crossroads' Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

#### ARTICLE 4 - FUEL REIMBURSEMENT

In addition to the collection of the rates and charges provided for in each Addendum, Shipper shall supply and Crossroads shall retain a Gas Reimbursement Quantity, as provided pursuant to the applicable Rate Schedule and General Terms and Conditions of Crossroads' Tariff.

#### ARTICLE 5 - GENERAL TERMS AND CONDITIONS

This Agreement and all terms for service hereunder are subject to the further provisions of the applicable Rate Schedule and the General Terms and Conditions of Crossroads' Tariff, as may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Crossroads reserves the right from time to time to unilaterally file and to make effective any such changes in the provisions of the applicable Rate Schedules and the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder. Such Rate Schedule and General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.

Effective Date: 10/02/1995 Status: Effective  
FERC Docket: CP94-342-003

**Original Sheet No. 90** Original Sheet No. 90 : Effective

ARTICLE 6 - NOTICES

The Post Office addresses of both Crossroads and Shipper are as follows:

CROSSROADS PIPELINE COMPANY

Payment:

Nomination and Scheduling:

Pipeline Emergencies: (Not to be used  
for any other purpose)

All other:

REPLACEMENT SHIPPER

Billing:

Nomination and Scheduling:

All other:

IN WITNESS WHEREOF, both Crossroads and Replacement Shipper  
have caused

Effective Date: 10/02/1995 Status: Effective  
FERC Docket: CP94-342-003

**Original Sheet No. 91** Original Sheet No. 91 : Effective

this Agreement to be executed in several counterparts by their  
respective officers or other persons duly authorized to do so.

REPLACEMENT SHIPPER

By:

Title:

EXECUTED , 19

CROSSROADS PIPELINE COMPANY

By:

Title:

EXECUTED , 19

Effective Date: 10/02/1995 Status: Effective  
FERC Docket: CP94-342-003

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

EXHIBIT A

Capacity Release Agreement No.  
Addendum No.  
Capacity Release  
Service Agreement  
Between  
Crossroads Pipeline Company

and

Releasing Shipper Contract No. Releasing Shipper Rate Schedule

Original Releasing Shipper Contract No. Regulation

Replacement Shipper's  
Maximum Daily Quantity (Dt)

Permanent or Temporary Release

Conditions of Recall

Term of Release

Begin End

Reservation Rate (including applicable surcharges)

Other Conditions

Effective Date: 10/02/1995 Status: Effective

FERC Docket: CP94-342-003

**Original Sheet No. 93** Original Sheet No. 93 : Effective

EXHIBIT A

Capacity Release Agreement No.  
Addendum No.

CAPACITY RIGHTS  
Points of Receipt

Primary or

Secondary

| Quantity | Received From | Location<br>(P or S) | County | State | Meter No. |
|----------|---------------|----------------------|--------|-------|-----------|
|----------|---------------|----------------------|--------|-------|-----------|

Secondary Points of Receipt

Effective Date: 10/02/1995 Status: Effective

FERC Docket: CP94-342-003

**Original Sheet No. 94** Original Sheet No. 94 : Effective

EXHIBIT A

Capacity Release Agreement No.  
Addendum No.  
Capacity Release

| Received From<br>Quantity | Location<br>(P or S) | County | State | Points of Delivery      | Meter No. |
|---------------------------|----------------------|--------|-------|-------------------------|-----------|
|                           |                      |        |       | Primary or<br>Secondary |           |

Secondary Points of Delivery

gyr\EJF\20351\CP94-342\MOTIONS\950615.CR

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 95** Original Sheet No. 95 : Effective

CONTRACT NO. \_\_\_\_\_

SERVICE AGREEMENT FORM \_\_\_\_

(Applicable to Gas Parking Service Under  
Rate Schedule GPS/GLS and Subject to Change to Reflect  
Negotiated Agreement Between the Parties)

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, BETWEEN

CROSSROADS PIPELINE COMPANY, having its principal office in Merrillville,  
Indiana, (hereinafter referred to as "Crossroads") and \_\_\_\_\_,  
(hereinafter referred to as "Shipper").

WITNESSETH THAT

WHEREAS, Crossroads is a natural gas pipeline whose principal business is the  
transportation of natural gas between and among various points along the pipeline  
route from Griffith, Indiana to Cygnet, Ohio; and

WHEREAS Shipper desires Crossroads to park volumes of gas for it according to the  
terms hereof and according to the terms of Crossroads' Gas Tariff and General Terms  
and Conditions of Service on file with the Federal Energy Regulatory Commission  
("FERC") as such may be in effect from time to time and Crossroads is willing to  
do so:

NOW, THEREFORE, the parties agree as follows:

1. BASIC OBLIGATIONS AND CONDITIONS

- 1.1 Crossroads and Shipper shall obtain, in a form acceptable to them,  
all permits, certificates and other authorizations necessary for  
the construction and operation of the Crossroads Pipeline Company  
and connecting facilities, and for the parking service to be  
performed thereby.
- 1.2 Crossroads agrees to receive, park and deliver on an interruptible  
basis daily volumes of gas in accordance with Paragraph 2.
- 1.3 Shipper agrees to pay Crossroads in accordance with Paragraph 4.

2. QUANTITY OF GAS

2.1 The Maximum Parking Quantity which Crossroads shall receive, park and deliver and which shipper may tender under Rate Schedule GPS is set forth in Exhibit A attached hereto. No adjustment in the Maximum Parking Quantity shall be made except by mutual agreement. No adjustment in any Maximum Parking Quantity shall be made effective except by a superseding Exhibit A.

2.2 During the term of this Agreement, Crossroads will receive for Shipper, on an interruptible basis, and Shipper may furnish, or cause to be furnished, to Crossroads, natural gas for the performance of parking in accordance with Rate Schedule GPS. Subsequently, Shipper will accept or cause to be accepted, return or delivery from Crossroads of the quantities that Shipper has tendered for such parking services.

3. RECEIPT AND DELIVERY POINTS

The Receipt and Delivery Point or Points for gas to be delivered and returned hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, which shall not be unreasonably withheld, to change its receipt and delivery points from time to time according to the terms of Crossroads' General Terms and Conditions of Service, but no such designation shall become effective except by a superseding Exhibit A.

4. APPLICABLE RATE SCHEDULE, INCORPORATION BY REFERENCE

4.1 Rate Schedule: Shipper shall each month pay Crossroads for parking service pursuant to this Service Agreement at rates fixed pursuant to Crossroads' Rate Schedule GPS or any effective superseding Rate Schedule on file with the FERC.

4.2 Incorporation by Reference: This Service Agreement in all respects shall be subject to the provisions of Rate Schedule GPS and to the applicable provisions of Crossroads' General Terms and Conditions of Service filed with the FERC, all of which are by reference made a part hereof, unless modified by provisions of Sections 4.3 and/or 10 hereof.

4.3 Changes in Rates and Terms: Crossroads shall have the unilateral right to file with the FERC or other appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to Rate Schedule GPS, (b) the terms or conditions of Rate Schedule GPS, or (c) any provisions of the General Terms and Conditions of Service applicable to Rate Schedule GPS. Crossroads agrees that Shipper may protest or contest the aforementioned filings, or seek any authorization from duly constituted regulatory authorities for such adjustment of Crossroads' existing FERC Gas Tariff as may be found necessary to assure that the provisions referred to in (a), (b) or (c) of this Section 4.3 are just and reasonable.

4.4 Rate: The rates for parking service hereunder shall be as listed on Sheet No. \_\_\_ of Crossroads' Tariff for GPS service.

5. DELIVERY PRESSURE

Shipper agrees to deliver or cause to be delivered the gas to Crossroads at each Receipt Point at not less than the pressure specified on Exhibit A, attached hereto, or at such higher pressure as can be made available with the existing facilities, at each point of receipt. Crossroads agrees to make deliveries of gas at each Delivery Point at not less than the pressure set forth on said Exhibit A, except that Crossroads in no event shall be obligated to make deliveries of gas at any Delivery Point in excess of the then existing system operating pressure and Crossroads shall not be obligated to install compression or any other equipment to maintain delivery pressures or volumes.

6. TERM OF AGREEMENT

6.1 Effective Date: This Service Agreement shall become effective on \_\_\_\_\_, which shall not be later than thirty (30) days following the date of execution of this Service Agreement, or for Service Agreements executed prior to the in-service date of the facilities, the effective date will be no later than thirty (30) days following such in-service date.

6.2 Termination Date: This Service Agreement shall continue in full force and effect for a term of \_\_\_\_\_.

6.3 Termination Obligations: Termination of this Service Agreement shall not relieve Crossroads and Shipper of the obligation to correct any volume imbalances hereunder, or Shipper of the obligation to pay money due hereunder to Crossroads.

7. PLEDGE AND ASSIGNMENT

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper, or of Crossroads, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement; and either the Shipper or Crossroads may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment or similar instrument which they have executed or may execute hereafter, otherwise, neither Shipper or Crossroads shall assign this Service Agreement or any of their rights hereunder unless they first shall have obtained the consent thereto in writing of the other, provided further, however, that neither Shipper nor Crossroads shall be released from its obligations hereunder without the consent of the other.

8. CANCELLATION OF PRIOR CONTRACTS

This Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto for the parking of natural gas by Crossroads for Shipper:

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 98** Original Sheet No. 98 : Effective

9. ADDRESS OF PARTIES

Every request, notice, statement and bill provided for in this Service Agreement shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

CROSSROADS - Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
ATTN: Contract Administrator

SHIPPER -

Either party may change its address by giving written notice to the other party. Any notice of changed address hereunder shall be deemed to have been given at the end of the third (3rd) working day after the day such notice has been deposited in a United States Post Office with requisite postage thereon.

10. ADJUSTMENTS TO RATE SCHEDULE AND THE GENERAL TERMS AND CONDITIONS

Sections to the Rate Schedule GPS and/or the General Terms and Conditions are to be adjusted for the purpose of this Service Agreement, as specified below:

11. SPECIAL PROVISIONS

IN WITNESS THEREOF this Service Agreement has been duly executed by the parties hereto as of the day and year first above written.

CROSSROADS PIPELINE COMPANY

(Name) SHIPPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 99** Original Sheet No. 99 : Effective

CONTRACT NO. \_\_\_\_\_

EXHIBIT A

Gas Parking Service

Date:

Maximum Parking Quantity: Dekatherm

Date as of which Gas will be Parked:

Date on which Gas will be Removed:

Rate: \$ per Dekatherm

Receipt Points:

Primary: Quantity

Secondary: Quantity

Delivery Points:

Primary: Quantity:

Secondary: Quantity:

Quantity:

Delivery Pressure to Crossroads: Not less than 648 psi

Supersedes Exhibit A Effective:

Crossroads (Name) of Shipper

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 100** Original Sheet No. 100 : Effective

CONTRACT NO. \_\_\_\_\_

SERVICE AGREEMENT FORM \_\_\_\_

(Applicable to Gas Lending Service Under  
Rate Schedule GPS/GLS and Subject to Change to Reflect  
Negotiated Agreement Between the Parties)

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, BETWEEN

CROSSROADS PIPELINE COMPANY, having its principal office in Merrillville, Indiana,  
(hereinafter referred to as "Crossroads") and \_\_\_\_\_, (hereinafter referred to as  
"Shipper").

WITNESSETH THAT

WHEREAS, Crossroads is a natural gas pipeline whose principal business is the  
transportation of natural gas between and among various points along the pipeline  
route from Griffith, Indiana to Cygnet, Ohio; and

WHEREAS Shipper desires Crossroads to lend volumes of gas to it according to the  
terms hereof and according to the terms of Crossroads' Gas Tariff and General Terms  
and Conditions of Service on file with the Federal Energy Regulatory Commission  
("FERC") as such may be in effect from time to time and Crossroads is willing to  
do so:

NOW, THEREFORE, the parties agree as follows:

1. BASIC OBLIGATIONS AND CONDITIONS

- 1.1 Crossroads and Shipper shall obtain, in a form acceptable to them,  
all permits, certificates and other authorizations necessary for the  
construction and operation of the Crossroads Pipeline Company and  
connecting facilities, and for the lending service to be performed  
thereby.
- 1.2 Crossroads agrees to deliver, lend and accept return on an interruptible  
basis daily volumes of gas in accordance with Paragraph 2.
- 1.3 Shipper agrees to pay Crossroads in accordance with Paragraph 4.

2. QUANTITY OF GAS

2.1 The Maximum Lending Quantity which Crossroads shall deliver, lend and accept return of and which Shipper may borrow under Rate Schedule GLS is set forth in Exhibit A attached hereto. No adjustment in the Maximum Lending Quantity shall be made except by mutual agreement. No adjustment in any Maximum Lending Quantity shall be made effective except by a superseding Exhibit A.

2.2 During the term of this Agreement, Crossroads will deliver to Shipper, on an interruptible basis, and Shipper may receive, or cause to be received, from Crossroads, natural gas for the performance of lending in accordance with Rate Schedule GLS. Subsequently, Shipper will deliver or cause to be delivered to Crossroads the quantities that Shipper has received for such lending services.

3. RECEIPT AND DELIVERY POINTS

The Receipt and Delivery Point or Points for gas to be received and returned hereunder are designated in Exhibit A attached hereto. Shipper shall have the right, with the consent of Crossroads, which shall not be unreasonably withheld, to change its receipt and delivery points from time to time according to the terms of Crossroads' General Terms and Conditions of Service, but no such designation shall become effective except by a superseding Exhibit A.

4. APPLICABLE RATE SCHEDULE, INCORPORATION BY REFERENCE

4.1 Rate Schedule: Shipper shall each month pay Crossroads for lending service pursuant to this Service Agreement at rates fixed pursuant to Crossroads' Rate Schedule GLS or any effective superseding Rate Schedule on file with the FERC.

4.2 Incorporation by Reference: This Service Agreement in all respects shall be subject to the provisions of Rate Schedule GLS and to the applicable provisions of Crossroads' General Terms and Conditions of Service filed with the FERC, all of which are by reference made a part hereof, unless modified by provisions of Sections 4.3 and/or 10 hereof.

4.3. Changes in Rates and Terms: Crossroads shall have the unilateral right to file with the FERC or other appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to Rate Schedule GLS, (b) the terms or conditions of Rate Schedule GLS, or (c) any provisions of the General Terms and Conditions of Service applicable to Rate Schedule GLS. Crossroads agrees that Shipper may protest or contest the aforementioned filings, or seek any authorization from duly constituted regulatory authorities for such adjustment of Crossroads' existing FERC Gas Tariff as may be found necessary to assure that the provisions referred to in (a), (b) or (c) of this Section 4.3 are just and reasonable.

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

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

4.4 Rate: The rates for parking service hereunder shall be as listed on Sheet No. \_\_\_ of Crossroads Tariff for GLS service.

5. DELIVERY PRESSURE

Shipper agrees to deliver or cause to be delivered the gas to Crossroads at each Receipt Point at not less than the pressure specified on Exhibit A, attached hereto, or at such higher pressure as can be made available with the existing facilities, at each point of receipt. Crossroads agrees to make deliveries of gas at each Delivery Point at not less than the pressure set forth on said Exhibit A, except that Crossroads in no event shall be obligated to make deliveries of gas at any Delivery Point in excess of the then existing system operating pressure and Crossroads shall not be obligated to install compression or any other equipment to maintain delivery pressures or volumes.

6. TERM OF AGREEMENT

6.1 Effective Date: This Service Agreement shall become effective on \_\_\_\_\_, which shall not be later than thirty (30) days following the date of execution of this Service Agreement or, for Service Agreements executed prior to the in-service date of the facilities, the effective date will be no later than thirty (30) days following such in-service date.

6.2 Termination Date: This Service Agreement shall continue in full force and effect for a term of \_\_\_\_\_.

6.3 Termination Obligations: Termination of this Service Agreement shall not relieve Crossroads and Shipper of the obligation to correct any volume imbalances hereunder, or Shipper of the obligation to pay money due hereunder to Crossroads.

7. PLEDGE AND ASSIGNMENT

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper, or of Crossroads, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement; and either the Shipper or Crossroads may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment or similar instrument which they have executed or may execute hereafter, otherwise, neither Shipper or Crossroads shall assign this Service Agreement or any of their rights hereunder unless they first shall have obtained the consent thereto in writing of the other, provided further, however, that neither Shipper nor Crossroads shall be released from its obligations hereunder without the consent of the other.

Effective Date: 02/22/1997 Status: Effective  
FERC Docket: RP97-184-000

**Original Sheet No. 103** Original Sheet No. 103 : Effective

8. CANCELLATION OF PRIOR CONTRACTS

This Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto for the lending of natural gas by Crossroads for Shipper:

9. ADDRESS OF PARTIES

Every request, notice, statement and bill provided for in this Service Agreement shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

CROSSROADS - Crossroads Pipeline Company  
801 East 86th Avenue  
Merrillville, Indiana 46410  
ATTN: Contract Administrator

SHIPPER -

Either party may change its address by giving written notice to the other party. Any notice of changed address hereunder shall be deemed to have been given at the end of the third (3rd) working day after the day such notice has been deposited in a United States Post Office with requisite postage thereon.

10. ADJUSTMENTS TO RATE SCHEDULE AND THE GENERAL TERMS AND CONDITIONS

Sections to the Rate Schedule GLS and/or the General Terms and Conditions are to be adjusted for the purpose of this Service Agreement, as specified below:

11. SPECIAL PROVISIONS

IN WITNESS THEREOF this Service Agreement has been duly executed by the parties hereto as of the day and year first above written.

CROSSROADS PIPELINE COMPANY

(Name) SHIPPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

