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**Second Revised Sheet No. 0** Venice Gathering System, L. L. C.: Original Volume No. 1  
Second Revised Sheet No. 0 : Effective  
Superseding: First Revised Sheet No. 0

VENICE GATHERING SYSTEM, L.L.C.

FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

Communications concerning this tariff  
should be addressed to:

Cary F. Loughman  
Counsel  
Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, Texas 77002  
Phone (713) 584-1540  
Fax (713) 584-1523  
Internet Home Page URL Address:  
<http://www.venicegathering.com>

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**Original Sheet No. 1** Original Sheet No. 1 : Effective

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

PRELIMINARY STATEMENT

Venice Gathering System, L.L.C. (VGS) is a Delaware limited liability company, engaged in the business of transporting natural gas in interstate commerce under authorization granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission. VGS owns and operates a gathering system, extending from South Timbalier Blocks 163 and 265 to an onshore interconnection with Venice Energy Services Company's (VESCO) Processing Facilities, near the town of Venice, Plaquemines Parish, Louisiana. VGS gathers gas from offshore Louisiana fields located in the West Delta, Grand Isle, South Pelto, and South Timbalier areas. The gathered gas is delivered to the VESCO Processing Facilities, where it is compressed, dehydrated, separated and processed.

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*FERC Docket: CP97-533-002*

**Original Sheet No. 3** Original Sheet No. 3 : Effective

SYSTEM MAP

This sheet to be replaced by System Map.

Effective Date: 10/01/2009 Status: Effective

FERC Docket: RP09-912-000

**Ninth Revised Sheet No. 4** Ninth Revised Sheet No. 4

Superseding: Eighth Revised Sheet No. 4

STATEMENT OF TRANSPORTATION RATES  
(Rates per Dth)

Rate Schedule	Maximum Rate	Minimum Rate
FTS-1		
Reservation Rate*	\$2.4699	
Usage Rate	\$0.0000	\$0.0000
FTS-2		
Usage Rate	\$0.0812	\$0.0000
ITS		
Usage Rate	\$0.0812	\$0.0000

Additional Charges Applicable to Rate Schedules FTS-1, FTS-2 and ITS:

Annual Charge Adjustment: \$0.0019

Unaccounted For Gas Retention Percentage:

1.0% of Receipt Quantity  
(1-Retention%/100 X Receipt Quantity = Delivery Quantity)

\* The Daily Reservation Rate (100% Load Factor Rate) is \$0.0812/Dth. The Authorized Overrun Rate is equal to the 100% Load Factor Rate.

*Effective Date: 01/01/1998 Status: Effective*

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

RESERVED SHEETS

Original Sheets Nos. 5 through 7 have been reserved.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 8** Original Sheet No. 8 : Effective

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the firm transportation of gas by Venice Gathering System, L.L.C. (VGS) under the authority and provisions of Part 284 of FERC Regulations, provided that:

- 1.1 VGS determines that it has sufficient capacity to render the firm transportation service and that it is able to provide said transportation;
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed;
- 1.3 Any Shipper requesting firm transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 5 of the General Terms and Conditions;
- 1.4 Shipper satisfies the creditworthiness criteria in accordance with Section 12.5 of the General Terms and Conditions; and
- 1.5 Shipper executes a Firm Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of VGS' System, shall be firm from Primary Receipt Point(s) to the Primary Delivery Point subject to the provisions of an executed Firm Service Agreement, and to the General Terms and Conditions incorporated herein by reference.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

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

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

- 2.2 Transportation service hereunder shall consist of the acceptance by VGS of gas tendered for the account of Shipper for transportation from the Primary Receipt Point(s) specified in an executed Firm Service Agreement or Secondary Receipt Point(s) as nominated by Shipper, the transportation of that gas through VGS' system, and the delivery of that gas, after appropriate reductions, for the account of Shipper at the Primary Delivery Point specified in an executed Firm Service Agreement.
- 2.3 Transportation service provided under this Rate Schedule shall be limited to Shipper's Maximum Daily Reservation Quantity specified in an executed Firm Service Agreement and VGS shall not be obligated to provide transportation service hereunder in excess of the Maximum Daily Reservation Quantity so specified.
- 2.4 VGS shall not be obligated to enter into a Transportation Service Agreement at less than Maximum Rate for service under this rate schedule.

3. RATES AND CHARGES

The applicable charges for transportation services provided under this Rate Schedule are set forth in the currently effective Sheet No. 4 of this FERC Gas Tariff. For all transportation service rendered under this Rate Schedule, Shipper shall pay VGS each month the sum of the Reservation Charge, Usage Charge, and ACA Charge, and any other charges, as authorized under the provisions of this FERC Gas Tariff, as follows:

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 10** Original Sheet No. 10 : Effective

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

- 3.1 Reservation Charge: An amount determined as the product of:
  - a. The Shipper's Maximum Daily Reservation Quantity specified in Exhibit B of an executed Firm Service Agreement; and
  - b. The Reservation Rate(s) per Dth set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- 3.2 Usage Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dths delivered by VGS for the account of Shipper during the billing month; and
  - b. The Usage Rate(s) per Dth set forth from time to time on the then currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or a superseding tariff.
- 3.3 ACA Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dth delivered by VGS for the account of Shipper during the billing month; and
  - b. The ACA rate per Dth set forth from time to time on the then currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- 3.4 Other Charges: Any other charges authorized from time to time under the provisions of this FERC Gas Tariff.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 11** Original Sheet No. 11 : Effective

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

3.5 Discounted Rates

VGS may from time to time and at any time charge any Shipper for service under this Rate Schedule a Reservation Charge predicated upon a Reservation Rate that is less than the Maximum Reservation Rate set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff. VGS shall file with the FERC any and all reports as required by the FERC's regulations setting forth the applicable discounted Reservation Rates and Shippers affected along with any other information that may be required.

3.6 Negotiated Rates

Shipper and VGS may agree to a Negotiated Rate with respect to the charges identified in Subsections 3.1 and 3.2 herein that may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on rate design other than straight fixed variable; and may include a minimum quantity, production dedication or other form of consideration. Such Negotiated Rate shall be set forth on Exhibit C of the executed Service Agreement and shall be filed with the FERC. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

Shippers paying a Negotiated Rate that exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity. Replacement Shippers may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates for the Firm Service Agreement.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 12** Original Sheet No. 12 : Effective

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

4. GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed Firm Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to firm transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

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

RESERVED SHEETS

Original Sheet Nos. 13 through 15 have been reserved.

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FERC Docket: CP97-533-002

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

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the firm transportation of gas by Venice Gathering System, L.L.C. (VGS) under the authority and provisions of Part 284 of FERC Regulations, provided that:

- 1.1 Shipper commits its owned and/or controlled production for the life-of-the field for delivery into and transportation through VGS facilities in a reserve commitment agreement covering all of Shipper's production from designated OCS Blocks;
- 1.2 VGS determines that it has sufficient capacity to render the firm transportation service and that it is able to provide said transportation;
- 1.3 Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed;
- 1.4 Any Shipper requesting firm transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 5 of the General Terms and Conditions;
- 1.5 Shipper satisfies the creditworthiness criteria in accordance with Section 12.5 of the General Terms and Conditions; and
- 1.6 Shipper executes a Firm Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 17** Original Sheet No. 17 : Effective

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of VGS' System, shall be firm from Primary Receipt Point(s) to the Primary Delivery Point subject to the provisions of an executed Firm Service Agreement, and to the General Terms and Conditions incorporated herein by reference.
- 2.2 Transportation service hereunder shall consist of the acceptance by VGS of gas tendered for the account of Shipper for transportation from the Primary Receipt Point(s) specified in an executed Firm Service Agreement or Secondary Receipt Point(s) as nominated by Shipper, the transportation of that gas through VGS' system, and the delivery of that gas, after appropriate reductions, for the account of Shipper at the Primary Delivery Point specified in an executed Firm Service Agreement.
- 2.3 Transportation service provided under this Rate Schedule shall be limited to Shipper's Maximum Daily Reservation Quantity specified in an executed Firm Service Agreement, which may be adjusted from time-to-time according to the terms set forth in the Service Agreement, and VGS shall not be obligated to provide transportation service hereunder in excess of the Maximum Daily Reservation Quantity so specified.
- 2.4 VGS shall not be obligated to enter into a Transportation Service Agreement at less than Maximum Rate for service under this rate schedule.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 18** Original Sheet No. 18 : Effective

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE  
(Continued)

3. RATES AND CHARGES

The applicable charges for transportation services provided under this Rate Schedule are set forth in the currently effective Sheet No. 4 of this FERC Gas Tariff. For all transportation service rendered under this Rate Schedule, Shipper shall pay VGS each month the sum of the Usage Charge, and ACA Charge, and any other charges, as authorized under the provisions of this FERC Gas Tariff, as follows:

- 3.1 Usage Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dths delivered by VGS for the account of Shipper during the billing month; and
  - b. The Usage Rate(s) per Dth set forth from time to time on the then currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or a superseding tariff.
- 3.2 ACA Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dth delivered by VGS for the account of Shipper during the billing month; and
  - b. The ACA rate per Dth set forth from time to time on the then currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- 3.3 Other charges: Any other charges authorized from time to time under the provisions of this FERC Gas Tariff.

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FERC Docket: CP97-533-002

**Original Sheet No. 19** Original Sheet No. 19 : Effective

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE  
(Continued)

3.4 Discounted Rates

VGS may from time to time and at any time charge any Shipper for service under this Rate Schedule a Usage Rate predicated upon a Usage Rate that is less than the Maximum Usage Rate set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff. VGS shall file with the FERC any and all reports as required by the FERC's regulations setting forth the applicable discounted Usage Rates and Shippers affected along with any other information that may be required.

3.5 Negotiated Rates

Shipper and VGS may agree to a Negotiated Rate with respect to the charges identified in Subsection 3.1 herein that may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; and may include a minimum quantity, production dedication or other form of consideration. Such Negotiated Rate shall be set forth on Exhibit C of the executed Service Agreement and shall be filed with the FERC. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

Shippers paying a Negotiated Rate that exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity.

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FERC Docket: CP97-533-002

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

RATE SCHEDULE FTS-2  
FIRM TRANSPORTATION SERVICE  
(Continued)

4. GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed Firm Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to firm transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

*Effective Date: 01/01/1998 Status: Effective*

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

RESERVED SHEETS

Original Sheet Nos. 21 through 24 have been reserved.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

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

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any Shipper for interruptible transportation of gas by Venice Gathering System, L.L.C. (VGS) under the authority and provisions of Part 284 of the FERC's Regulations, provided that:

- 1.1 VGS determines that from time to time it has available capacity to render the interruptible transportation service and that it is able to provide said transportation;
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the interruptible transportation service has been completed;
- 1.3 Any Shipper requesting interruptible transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification including sufficient information to verify that requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 5 of the General Terms and Conditions;
- 1.4 Shipper satisfies the credit worthiness criteria in accordance with Section 12.5 of the General Terms and Conditions; and
- 1.5 Shipper executes an Interruptible Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 26** Original Sheet No. 26 : Effective

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of VGS' System, shall be interruptible, subject to the availability of capacity and VGS' operating conditions and System requirements, to the provisions of an executed Interruptible Service Agreement and to the General Terms and Conditions incorporated herein by reference.
- 2.2 Transportation service hereunder shall consist of the acceptance by VGS of gas tendered for the account of Shipper for transportation from the Receipt Point(s) specified in an executed Interruptible Service Agreement, the transportation of that gas through VGS' System, and the delivery of that gas, after appropriate reductions, for the account of Shipper at the Delivery Point specified in an executed Interruptible Service Agreement.
- 2.3 Transportation service provided under this Rate Schedule shall be limited to Shipper's Maximum Daily Transportation Quantity specified in an executed Interruptible Service Agreement and VGS shall not be obligated to provide transportation service hereunder in excess of the Maximum Daily Transportation Quantity so specified.
- 2.4 VGS shall not be obligated to enter into a transportation agreement at less than Maximum Rate for service under this rate schedule.

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

3. RATES AND CHARGES

The applicable charges for transportation services provided under this Rate Schedule are set forth in the currently effective Sheet No. 4 of this FERC Gas Tariff. For all transportation service rendered under this Rate Schedule, Shipper shall pay VGS each month the sum of the Usage Charge, ACA Charge, and any other charges, as authorized under the provisions of this FERC Gas Tariff, as follows:

- 3.1 Usage Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dths delivered by VGS for the account of Shipper during the billing month; and
  - b. The Usage Rate(s) per Dth set forth from time to time on the then currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- 3.2 ACA Charge: An amount determined as the product of:
  - a. The total quantity of gas in Dths delivered by VGS for the account of Shipper during the previous month; and
  - b. The ACA rate per Dth set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- 3.3 Other Charges: Any other charges authorized from time to time under the provisions of this FERC Gas Tariff.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 28** Original Sheet No. 28 : Effective

RATE SCHEDULE ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

3.4 Discounted Rates: VGS may from time to time and at any time charge any Shipper for service under this Rate Schedule a Usage Rate predicated upon a Usage Rate that is less than the Maximum Usage Rate set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff; provided, that the Usage Rate may not be less than the Minimum Usage Rate set forth from time to time on the currently effective Sheet No. 4 of this FERC Gas Tariff. VGS shall file with the FERC any and all reports as required by the FERC's regulations setting forth the applicable discounted Usage Rates and Shippers affected along with any other information that may be required.

4. GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed Interruptible Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to interruptible transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

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

RESERVED SHEETS

Original Sheet Nos. 29 through 34 have been reserved.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-430-000

**Second Revised Sheet No. 35** Second Revised Sheet No. 35 : Effective  
Superseding: First Revised Sheet No. 35

RATE SCHEDULE TTS  
TITLE TRANSFER SERVICE

1. AVAILABILITY

This rate schedule is available to any party (TTS customer), including Third Party Account Administrators, for the transfer of gas to another party at the same Receipt Point or Delivery Point.

- 1.1 TTS customer shall execute a TTS Service Agreement for service under this rate schedule in a form provided in this FERC Gas Tariff.
- 1.2 TTS customers may conduct multiple title transfer transactions under the same service agreement. There is no limit on the number of TTS Service Agreements a party may have.
- 1.3 Title transfers must be nominated in the same manner as transportation service.
- 1.4 TTS service shall be provided in accordance with NAESB Standards 1.3.64 through 1.3.77.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This rate schedule shall apply to all Natural Gas with respect to which title is transferred from one party to another party at the same Receipt Point or Delivery Point.
- 2.2 The priority of service for transportation service is not affected by title transfers.
- 2.3 Quantities nominated for transfer to another party (Delivery) must equal the quantities nominated for acceptance by the other party(ies) (Receipt).
- 2.4 The TTS Customer may provide rankings for gas nominated for transfer nominations to and the acceptance of such nominations by a party under this rate schedule. VGS shall use the customer-provided rankings when scheduling and curtailing gas, when this does not conflict with tariff-based rules. Nominations without a ranking will be scheduled on pro rata basis.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

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

RATE SCHEDULE TTS  
TITLE TRANSFER SERVICE  
(Continued)

2.5 There will be no imbalances under this service.  
Quantities accepted shall equal quantities  
transferred.

3. RATES AND CHARGES

There is no charge for this service.

4. GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an executed TTS Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to this rate schedule as if the TTS Customer were a transportation customer, and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

*Effective Date: 01/01/1998 Status: Effective*  
*FERC Docket: CP97-533-002*

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

RESERVED SHEETS

Original Sheet Nos. 37 through 39 have been reserved.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 40** Original Sheet No. 40 : Effective

RATE SCHEDULE PS  
POOLING SERVICE

1. AVAILABILITY

This rate schedule is available to any party (PS customer) for the aggregation of natural gas supply, as defined in section 2 of this Rate Schedule.

- 1.1 PS customer shall execute a PS Service Agreement for service under this rate schedule in a form provided in this FERC Gas Tariff.
- 1.2 PS customer shall provide creditworthiness information and be subject to the requirements set forth in section 12.5 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This rate schedule shall apply to all natural gas supply that is nominated to an PS pool.
- 2.2 All Receipt Point(s) on VGS' system are eligible for aggregation.
- 2.3 The priority of service under this rate schedule will be the priority of the Transportation Service Agreement under which the gas is transported away from the pool.
- 2.4 Quantities nominated for receipt under this rate schedule must equal the quantities nominated for delivery.
- 2.5 The PS customer may provide rankings for gas nominated for receipt and delivery under this rate schedule. VGS shall use the customer-provided rankings when scheduling and curtailing gas, when this does not conflict with tariff-based rules. Nominations without a ranking will be scheduled on a pro rata basis.

RATE SCHEDULE PS  
POOLING SERVICE  
(Continued)

- 2.6 Any imbalance between actual quantities received and delivered will be allocated to the PS customer. Any imbalance must be resolved in accordance with the imbalance resolution procedures specified in VGS' General Terms and Conditions.
- 2.7 PS customer may transfer gas to another PS customer in the same pooling area. There is no limit on the number of pool-to-pool transfers; however, the PS Customer must submit a nomination to transfer gas to another pool.
- 2.8 PS customer may transfer gas from one Pool to one or more Pools or to a Transportation Service Agreement under Rate Schedule ITS, FTS-1 or FTS-2.

3. RATE AND BILLING

- 3.1 There will be no separate charge for this service, although other charges, e.g., for imbalance resolution, may apply. Transportation charges are assessed under the Transportation Service Agreement on which the gas is nominated for transportation from the PS Pool.
- 3.2 Unaccounted For Gas will be collected on the Transportation Service Agreement under which the gas is nominated for transportation from the PS pool.
- 3.3 There is no charge for pool-to-pool transfers.

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff are applicable to this rate schedule as if the PS Customer were a transportation service customer.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 42** Original Sheet No. 42 : Effective

RESERVED SHEETS

Original Sheet Nos. 42 through 44 have been reserved.

Effective Date: 02/01/1999 Status: Effective  
FERC Docket: RP99- 21-000

**First Revised Sheet No. 45** First Revised Sheet No. 45 : Effective  
Superseding: Original Sheet No. 45

GENERAL TERMS AND CONDITIONS

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Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-430-000

**Third Revised Sheet No. 46** Third Revised Sheet No. 46 : Effective  
Superseding: Second Revised Sheet No. 46

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Effective Date: 10/01/2002 Status: Effective  
FERC Docket: RP02-417-001

**Fourth Revised Sheet No. 47** Fourth Revised Sheet No. 47 : Effective  
Superseding: Third Revised Sheet No. 47

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

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

Account Holder: The party using the services of a Title Transfer Tracking Service Provider (TTTSP) under a contract or other arrangement with that TTTSP.

Available Capacity: The quantitative ability of VGS' existing system to provide gas transportation service up to its certificated quantity. The ability of VGS' System to provide gas transportation service may be limited by changes in prevailing operating pressures, temperatures, gas flow rates and gas flow directions within any portion(s) of VGS' System, including any receipt point(s) or the delivery point; physical capacity limitations of compressors, regulators, valves, pipelines or pipeline segments, measuring facilities or appurtenances to VGS' System; necessary testing, maintenance, repair, overhaul, alteration, modification, replacement, enlargement, or construction of pipelines, compressors, metering, regulating, and other gathering facilities and equipment appurtenant to VGS' System.

Authorized Overrun: A nomination in excess of a Shipper's Maximum Daily Reservation Quantity that has been accepted, confirmed and scheduled by VGS.

Batch Flat File: The term used within GISB FF/EDM to describe the transfer of flat files using an interactive browser.

Btu: British thermal unit and is equal to the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five tenths degrees Fahrenheit (58.5°F) to fifty-nine and five tenths degrees Fahrenheit (59.5°F) at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia). The standard Btu is the International Btu, which is also called the Btu(IT). The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society of Testing Materials.

*Effective Date: 09/01/2005 Status: Effective*

*FERC Docket: RP05-430-000*

**Fifth Revised Sheet No. 48** Fifth Revised Sheet No. 48 : Effective  
Superseding: Fourth Revised Sheet No. 48

GENERAL TERMS AND CONDITIONS  
(Continued)

**Bump:** The displacement of a scheduled interruptible service during the evening or intra-day 1 nomination cycle resulting from the scheduling of increased firm nominations during a cycle.

**Business Day:** Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.

**Central Address Repository (CAR):** The term used to describe: 1) the Web site providing links to all VGS' Informational Postings, and 2) the entity administering and maintaining the above Web site and repository.

**Central Clock Time:** Central standard time throughout the year, as adjusted for daylight savings time. Any reference to Central Time is Central Clock Time.

**Condensate:** A light hydrocarbon liquid obtained in condensation of hydrocarbon vapors that separate out in liquid form at the pressures and temperatures at which separators normally operate.

**Confirmation Letter:** A document evidencing Shipper's commitment to execute a firm service agreement in accordance with the procedures under Section 13.4.

**Confirmation Requester:** A service provider (including a point operator) that is seeking to confirm a quantity of gas via the information outlined in GISE Standard 1.4.3 with another service provider (the Confirming Party) with respect to a nomination at a location.

**Confirmation by Exception (CBE):** An action whereby the Confirming Parties agree that one party deems that all requests at a location are confirmed by the other party (the CBE party) without response communication from that party. The CBE party can take exception to the request by so informing the other party within a mutually agreed upon time frame.

**Confirming Parties:** The Confirmation Requester and the Confirming Party.

**Confirming Party:** A service provider (including a point operator) that provides a confirmation for a quantity of gas via the information outlined in GISE Standard 1.4.4 to another service provider (the Confirmation Requester) with respect to a nomination at a location.

**Content Area:** The term used to describe the area directly to the right of the Navigational Area of the browser display. When the Navigational Area is not displayed the entire browser display is content area.

**Critical Notice:** Information on conditions on VGS' system that affect scheduling or adversely affect scheduled gas flow. Critical notices will be posted separately on VGS' Internet Home Page.

**Customer:** A party to an agreement under any VGS Rate Schedule, except where specifically precluded by the rate schedule or inapplicable due to the context of the usage of the term.

**Customer Activities:** The term used to refer to the business function categories relating to Nominations, flowing gas, invoicing, capacity release, contracts and other business functions on industry web sites.

**Daily Allocation:** The term used to describe the process where the Allocating Party performs the allocation process following each gas day.

**Day:** A period of twenty-four (24) consecutive hours beginning and ending at nine (9:00) a.m., Central Clock Time. The date of a day shall be that of its beginning.

**Dekatherm (Dth):** One million Btus and shall be the standard unit for purposes of nominations, scheduling, confirmations, allocations, invoicing and balancing.

Effective Date: 07/01/2003 Status: Effective  
FERC Docket: RP03-475-000

**Fourth Revised Sheet No. 49** Fourth Revised Sheet No. 49 : Effective  
Superseding: Third Revised Sheet No. 49

GENERAL TERMS AND CONDITIONS  
(Continued)

Delivery Point: The point on VGS' System where quantities of gas may be delivered by VGS for the account of Shipper.

Delta Gathering Station (DGS): The separation, dehydration, and compression facility located at the terminus of the VGS System.

Designated Site: VGS' Internet Address or the Customer's Internet Address or Fax Number, the latter as specified by the Customer.

Detail: The term used to describe the area directly below the Header in the Content Area of the browser display.

Display: The term used to describe the typical visual presentation derived by a browser as a result of retrieval of information from a given URL.

Download: The term used to describe the retrieval of information from a Web site in a format suitable for storage.

Drip Liquids: Any liquid hydrocarbons accumulating in drips, separators and/or pipelines after Shipper's Gas is delivered to VGS at the Receipt Point(s) including, without limitation, dirty oil, line drip, scrubber oil, compression and separator liquids, distillates and Condensate.

EDI: Electronic Data Interchange in accordance with GISB Standards.

Electronic Notice Delivery: The term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

Elapsed Pro Rata Capacity: the term that describes that portion of the capacity that would have theoretically been available for use prior to the effective time of the intra-day recall based upon a cumulative uniform hourly use of the capacity.

Elapsed-Prorated-Scheduled Quantity: That portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

Equivalent Quantities: The total heating value of gas measured in Btus received by VGS for the account of Shipper at the Receipt Point(s) during any given period of time, reduced by Shipper's share of Unaccounted For Gas, based on the Unaccounted For Retention Percentage set forth in VGS' Rate Schedules or Service Agreements, and the quantity (in Dth) of Drip Liquids returned to Shipper. For purposes of determining an Equivalent Quantity, quantities of Gas shall be stated in Dths and measured on a dry basis.

Effective Date: 10/01/2002 Status: Effective  
FERC Docket: RP02-417-000

**Fourth Revised Sheet No. 50** Fourth Revised Sheet No. 50 : Effective  
Superseding: Third Revised Sheet No. 50

GENERAL TERMS AND CONDITIONS  
(Continued)

FERC: The Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers that are exercisable by the Federal Energy Regulatory Commission.

Form: The term used to describe the portion of the Content Area of the browser display on Customer Activities Web sites used for single transaction entry or display, as well as optionally, data selection. The Form should be either in the upper portion of the Content Area or, alternatively, a single page linked to the matrix.

Gas: Hydrocarbon natural gas, including oil well gas produced with crude oil, gas from gas wells, and residue gas from processing either oil well gas or gas well gas, or both.

Gigacalories: The standard quantity in Mexico for nomination and scheduling is gigacalories per day. For reference and commercial purposes, 1 gigacalorie = 1,000,000,000 calories, and the standard conversion factor between a Dekatherm and a gigacalorie is 0.251996.

Gigajoules: The standard quantity in Canada for nominations, confirmations and scheduling is gigajoules per gas day. The standard joule is the joule specified in the SI system of units. For commercial purposes, the standard conversion factor between Dekatherms and gigajoules is 1.055056 gigajoules per Dekatherm. For non-commercial purposes, the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society of Testing Materials note that the exact conversion factor is 1.05505585262 gigajoules per Dekatherm.

GISB: Gas Industry Standards Board and its successor the North American Energy Standards Board (NAESB).

GISB EBB/EDM: The term used to describe the GISB standardized electronic interchange of information for Customer Activities Web site presentations. GISB EBB/EDM is communicated between trading partners over the Internet using the GISB Electronic Delivery Mechanism for GISB EBB/EDM.

GISB EDI/EDM: The term used to describe ANSI ASC X 12 computer-to-computer electronic data interchange of information in files as mapped from the x.4.z GISB standards in the GISB Implementation Guides and communicated between trading partners over the Internet using the GISB Electronic Delivery Mechanism.

GISB FF/EDM: Is the term used to describe a standardized flat file electronic data interchange of information in files as mapped from the x.4.z GISB standards. GISB FF/EDM is communicated between trading partners over the Internet using the GISB Electronic Delivery Mechanism.

GISB Standards: Those business and electronic communication standards promulgated by GISB and adopted, to the extent codified, by the FERC in Section 284.10(b) or elsewhere in its regulations.

Header: The term used to describe the area at the top of the Content Area of the browser display.

Effective Date: 11/01/2009 Status: Effective  
FERC Docket: RP09-742-000

**Fifth Revised Sheet No. 51** Fifth Revised Sheet No. 51  
Superseding: Fourth Revised Sheet No. 51

GENERAL TERMS AND CONDITIONS  
(Continued)

Heating Value: The number of British thermal units produced by complete combustion at constant pressure of the amount of gas that would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60oF), and under a pressure equivalent to that of thirty inches of mercury (30" Hg) at thirty-two degrees Fahrenheit (32oF), and under gravitational force acceleration (980.665 cm. per sec. per sec.), with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, when the water formed by combustion is condensed to the liquid state, and corrected for any water vapor in excess of seven pounds per million cubic feet of gas (7 lbs/MMcf). Heating value determined by calculation from composition analysis according to GPA Publication 2172-84, as amended or revised, shall be converted to figures that reflect the actual condition of the gas on receipt or delivery and adjusted for temperature, pressure, water content or compressibility.

Informational Postings: The term that identifies certain common information posted on a Transportation Service Provider's Internet website as specified in NAESB WGQ Standard 4.3.23./1

Interactive Flat File: The term used within GISB FF/EDM to describe the transfer of flat files using an interactive browser.

Intra-Day Nomination: A nomination submitted after the nomination deadline that is effective no earlier than the beginning of the gas day and runs through the end of the gas day.

/1 Quadrant Electronic Delivery Mechanism Standard 4.3.23 reflects categories of information to be posted that have not been updated to reflect the Commission's issuance of Order 717, Standards of Conduct for Transmission Providers, 125 FERC ¶61,064 (2008). VGS' website complies with this Standard as modified by Order 717.

GENERAL TERMS AND CONDITIONS  
(Continued)

**Matrix:** The term used to describe the portion of the Content Area of the browser display on the Customer Activities Web sites used to display selected data entered on the Form and, when appropriate, for data entry. The Matrix should be either the lower portion of the Content Area (that area below the Form) or, alternatively, a single page linked to the Form.

**Maximum Daily Reservation Quantity:** The maximum quantity of gas that VGS is obligated to receive and/or deliver for the account of Shipper as specified in Exhibit B of an executed Firm Service Agreement between Shipper and VGS. The Maximum Daily Reservation Quantity at Receipt Point(s) is equal to the Maximum Daily Reservation Quantity for Delivery Points plus a percentage gross-up to account for Unaccounted For Gas.

**Maximum Daily Transportation Quantity:** The maximum quantity of gas that VGS is obligated to receive and deliver for the account of Shipper as specified in Exhibit B of an executed Interruptible service Agreement between Shipper and VGS. The Maximum Daily Transportation Quantity at Receipt Points is equal to the Maximum Daily Transportation Quantity for Delivery Points plus a percentage gross-up to account for Unaccounted For Gas.

**Month:** The period beginning on the first day of a calendar month and ending on the first day of the succeeding calendar month.

**Monthly Allocation:** The term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.

**Navigational Area:** The term used to describe the area on the left side of the browser display providing links to the Content Area and other navigational links. A Navigational Area is not required to be displayed on Customer Activities Web pages where data entry, reporting or inquiry are displayed.

**Netting:** The term used to describe the process of resolving imbalances for a Service Requester within and Operational Impact Area. There are two types of Netting:

- summing is the accumulation of all imbalances above any applicable tolerances for a Service Requester or agent,
- offsetting is the combination of positive or negative imbalances above any applicable tolerances for a Service Requester or agent.

**New facilities:** Those facilities on VGS' System that were not included in the certificate filing in Docket CP97-533, et al, that are necessary in order for VGS to provide the transportation service(s) that a Shipper requests by use of the Service Request Form (for example, a new Receipt and/or Delivery Point).

Effective Date: 10/01/2002 Status: Effective  
FERC Docket: RP02-417-001

**Second Revised Sheet No. 53** Second Revised Sheet No. 53 : Effective  
Superseding: First Revised Sheet No. 53

GENERAL TERMS AND CONDITIONS  
(Continued)

Nomination: A line item containing all defined components. A line shall contain the following components: Beginning Date, Beginning Time, Delivery Location, Delivery Rank, Downstream Contract Identifier, Downstream Identifier Code, Ending Date, Ending Time, Model Type, Nominator's Tracking Number, Package ID, Quantity, Quantity Type Indicator, Receipt Location, Receipt Rank, Service Requestor, Service Requestor Contract, Time Stamp, Transaction Type, Transportation Service Provider, Upstream Contract Identifier, Upstream Identifier Code.

Operational Balancing Agreement (OBA): An agreement between VGS and an Upstream Operator at Receipt Point(s) or Downstream Operator at the Delivery Point that specifies the procedures to manage operating variances at an interconnect.

Operational Flow Order (OFO): An order issued to alleviate conditions, inter alia, that threaten or could threaten the safe operations or system integrity of VGS' system or to maintain operations required to provide efficient and reliable firm service.

Operational Impact Area: The term used to describe VGS' designation of the largest possible area(s) on its System in which imbalances have a similar operational effect.

Effective Date: 08/01/1999 Status: Effective  
FERC Docket: RP99-376-000

**Second Revised Sheet No. 54** Second Revised Sheet No. 54 : Effective  
Superseding: First Revised Sheet No. 54

GENERAL TERMS AND CONDITIONS  
(Continued)

Operator: Any individual, firm, or corporation, or its agent, assignee, or other legal representative, that owns natural gas production, or owns and/or operates gas production, processing or upstream or downstream pipeline facilities that are directly connected to VGS' System, and who is responsible for the confirmation, scheduling, receipt or delivery, and the allocation of gas through such interconnecting facility.

Package ID: A code assigned by the Customer that is intended to be used to differentiate between business transactions.

Pooling: 1) The aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

Pooling Point: A logical point where supply is aggregated or dis-aggregated. On the VGS system, pooling is available under Rate Schedule PS.

Predetermined Allocation (PDA): An instruction from the owner of gas that is submitted in advance of gas flow and that tells VGS how much, in what order to allocate and to whom to allocate after gas has flowed. VGS will support four Predetermined Allocation methodology types: Ranked, Pro Rata, Swing and Percentage.

Printing: The term used the typical printed layout derived when a document is printed from a display tool (browser, word processor, etc.).

Effective Date: 02/01/1999 Status: Effective  
FERC Docket: RP99- 21-000

**First Revised Sheet No. 55** First Revised Sheet No. 55 : Effective  
Superseding: Original Sheet No. 55

GENERAL TERMS AND CONDITIONS  
(Continued)

Primary Delivery Point: The point on VGS' System where quantities of gas may be delivered by VGS for the account of Shipper, as described in Exhibit B of an executed Firm Service Agreement between Shipper and VGS.

Primary Receipt Point(s): The point(s) on VGS' System where quantities of gas may be received by VGS for the account of Shipper, as described in Exhibit A of an executed Firm Service Agreement between Shipper and VGS.

Psia: Pounds per square inch absolute.

Psig: Pounds per square inch gauge.

Quick Response: Notification via EDI of receipt of and validation of information submitted via EDI.

Receipt Point(s): Any point on VGS' System where quantities of gas may be received by VGS for the account of Shipper.

Releasing Shipper: A Shipper receiving service pursuant to a service agreement under VGS' Rate Schedule FTS-1 who seeks to release capacity in accordance with VGS' capacity release program.

Replacement Shipper: Any party who acquires capacity in accordance with VGS' capacity release program and executes a service agreement with VGS under VGS' Rate Schedule FTS-1.

Effective Date: 10/01/2002 Status: Effective  
FERC Docket: RP02-417-001

**Fourth Revised Sheet No. 56** Fourth Revised Sheet No. 56 : Effective  
Superseding: Third Revised Sheet No. 56

GENERAL TERMS AND CONDITIONS  
(Continued)

Secondary Receipt Point(s): The point(s) on VGS' System where quantities of gas may be received by VGS for the account of Shipper under an executed Firm Service Agreement, as nominated by Shipper.

Shipper: The party receiving service pursuant to an executed Rate Schedule FTS-1, FTS-2 or ITS Service Agreement.

Site Map: The term used to describe a Web page of URL links, which resembles a table of contents or directory tree structure, of categories and subcategories of information.

Standard Client Configuration: The term used to describe the configuration that allows simultaneous access to multiple industry web sites.

Standard Cubic Foot: The standard unit of volume for the purpose of measurement equal to the amount of gas contained in one (1) cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60oF) and at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia). Scf shall mean one standard cubic foot. Mcf shall mean one thousand standard cubic feet. MMcf shall mean one million standard cubic feet.

System: The pipeline, pipeline laterals, measurement, and related facilities owned, leased, or operated by or for VGS.

Testing data sets between trading partners includes testing of:

1. Intended business results,
2. Proposed electronic delivery mechanisms, and
3. Related EDI/EDM and, where supported, FF/EDM implementation issues.

Testing should include enveloping, security, data validity, and standards compliance (e.g. ANSI X12 and GISB EDM Related Standards).

Third Party Account Administrator: A Title Transfer Tracking Service Provider other than VGS.

Title: The term used to identify the ownership of gas, unless otherwise addressed in VGS' contract or tariff.

Title Transfer: The change of title to gas between parties at a location.

Title Transfer Nomination: A nomination line item requesting the service of Title Transfer Tracking and is sent by and Account Holder to a Title Transfer Tracking Service Provider.

Title Transfer Tracking: The process of accounting for the progression of the title changes from party to party that does not effect a physical transfer of the gas.

Title Transportation Service Provider: The party conducting the title transfer tracking activity.

Transportation: Exchange, backhaul, displacement or other methods of transportation.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-430-000

**Third Revised Sheet No. 57** Third Revised Sheet No. 57 : Effective  
Superseding: Second Revised Sheet No. 57

GENERAL TERMS AND CONDITIONS  
(Continued)

Transportation Service Agreement: An agreement for transportation under Rate Schedules FTS-1, FTS-2 or ITS. A Transportation Service Agreement, or pertinent parts thereof, may also be made applicable to services that do not involve transportation under these rate schedules.

Transportation Service Provider: For purposes of the NAESB WGQ standards the term "Transportation Service Provider" means Venice Gathering System, L.L.C. A Transportation Service Provider as used in the NAESB WGQ standards is not necessarily the same as a Transmission Provider as defined in Title 18 of the Code of Federal Regulations.

Unaccounted For Gas: The difference between the sum of all receipts of gas into VGS' System and the sum of all deliveries of gas out of VGS' System including gas for company use, leakage or actual losses, discrepancies due to meter inaccuracies, variations of temperature, pressure and composition, and other variants.

VESCO Processing Facilities: The Venice Energy Services Company (VESCO) gas processing plant, fractionator and related facilities, including, but not limited to, the Delta Gathering Station, situated near the town of Venice, Plaquemines Parish, Louisiana.

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*FERC Docket: CP97-533-002*

**Original Sheet No. 58** Original Sheet No. 58 : Effective

RESERVED SHEETS

Original Sheet Nos. 58 through 59 have been reserved.

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**Original Sheet No. 60** Original Sheet No. 60 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

2. OPERATING PROVISIONS FOR FIRM SERVICE

2.1 Availability of Firm Service

Firm service under this FERC Gas Tariff shall be provided when, and to the extent that, VGS determines that capacity is available on VGS' existing System, which capacity is not subject to a superior claim by another Shipper. Existing uncommitted firm capacity will be posted on the VGS Internet Home Page and will be made available in accordance with the provisions of Subsection 2.3 of the General Terms and Conditions.

2.2 Priority of Service

a. Receipt Point Priority

The receipt of gas for firm transportation services shall be:

- (1) on a firm basis from the Primary Receipt Point(s) specified in an executed Firm Service Agreement, and shall not be subject to limitation or interruption except as provided in Sections 8 and 26 of the General Terms and Conditions;  
or

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FERC Docket: GT00- 9-000

**First Revised Sheet No. 61** First Revised Sheet No. 61 : Effective  
Superseding: Original Sheet No. 61

GENERAL TERMS AND CONDITIONS  
(Continued)

- (2) on a firm basis from the Secondary Receipt Point(s) nominated by Shipper, subject to the availability of capacity in VGS' System, and shall have a priority subordinate to the receipt of gas from Primary Receipt Points for all firm transportation services and a priority superior to the receipt of gas for interruptible transportation services.

b. Delivery Point Priority

The delivery of gas for firm transportation services shall be on a firm basis to the Primary Delivery Point specified in an executed Firm Service Agreement, and shall not be subject to limitation or interruption except as provided in Sections 8 and 26 of the General Terms and Conditions, and shall have a priority superior to the delivery of gas for interruptible transportation services.

2.3 Shipper Requests for Firm Service

Requests for firm service hereunder shall be made by providing the specific information in Section 5 of the General Terms and Conditions. Request for Service forms shall be submitted to VGS, Attention: Manager: Transportation Services. VGS shall consider all complete requests in the order received and will notify Shipper in writing of the acceptance of a complete request.

GENERAL TERMS AND CONDITIONS  
(Continued)

2.4 Receipt And Delivery Point Designations

Each Receipt Point and the Delivery Point specified by a Shipper requesting firm transportation service shall be considered as Primary Receipt Point(s) and a Primary Delivery Point for firm transportation service under an executed Firm Service Agreement. Unless otherwise agreed, each Shipper's Maximum Daily Reservation Quantity must be allocated among the Primary Receipt Points such that the Maximum Daily Reservation Quantity equals the sum of the individual maximum daily quantities for Primary Receipt Points, as well as the maximum daily quantity for the Primary Delivery Point.

2.5 Changes to Receipt Point Designations

A Shipper may amend its Firm Service Agreement to add Primary Receipt Points, or delete Primary Receipt Points or modify Primary Receipt Point maximum daily quantities provided capacity is available to provide firm service at such points. A Shipper may change Primary Receipt Points upon twenty-four (24) hours' notice, provided such capacity is posted as available on VGS' Internet Home Page. If such capacity is not posted as available, Shipper may change Primary Receipt Points upon not more than five (5) business days notice, provided VGS determines that capacity is available to accommodate the requested change.

Unless otherwise agreed, the Maximum Daily Reservation Quantity must be allocated such that the Maximum Daily Reservation Quantity equals the sum of the individual maximum daily quantities for Primary Receipt Points for an amended Firm Service Agreement, as adjusted for appropriate reductions.

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FERC Docket: CP97-533-002

**Original Sheet No. 63** Original Sheet No. 63 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

2.6 Secondary Points

All System points, including Primary Receipt Points where capacity exists in excess of capacity allocated to provide Primary Receipt Point firm transportation service, will be available for scheduling as Secondary Receipt Points. VGS shall not limit the number of Primary and Secondary Receipt Points that a firm Shipper may request to utilize, as long as the sum of nominated volumes at Shipper's Primary and Secondary Receipt Points does not exceed Shipper's Maximum Daily Reservation Quantity. Any discounted Reservation Rate for firm transportation service between Primary Receipt and Delivery Points will not automatically transfer to service using Secondary Receipt Points, unless VGS directs Shipper to use a secondary point for operational reasons, pursuant to Section 8.5 of the General Terms and Conditions.

2.7 Requests For Operating Data

Upon request by VGS, Shipper shall submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Primary Receipt Point and Primary Delivery Point. VGS shall use such information and operating data to determine its System's Available Capacity, to evaluate potential System capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.

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FERC Docket: CP97-533-002

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

GENERAL TERMS AND CONDITIONS  
(Continued)

2.8 Available Capacity

VGS will make capacity available for firm service to the extent that VGS determines it is operationally feasible. If operating conditions ever limit VGS' ability to provide firm service, then VGS shall provide such service on the basis described in Section 8 of the General Terms and Conditions.

2.9 Uniform Hourly Deliveries

The Gas shall be delivered and redelivered as nearly as practicable at uniform hourly and daily rates of flow, and VGS shall not be obligated to receive more than 1/24th of Shipper's total MDRQ during any hour.

2.10 Additional Facilities

VGS shall not be required to construct additional facilities, modify or expand facilities or acquire facilities to provide firm transportation service.

GENERAL TERMS AND CONDITIONS  
(Continued)

3. OPERATING PROVISIONS FOR INTERRUPTIBLE SERVICE

3.1 Availability of Interruptible Service

Interruptible service under this FERC Gas Tariff shall be provided when, and to the extent that, VGS determines that capacity is available in VGS' existing System, which capacity is not subject to a prior claim by another Shipper. Available interruptible capacity shall be allocated by VGS by rate; the interruptible service priority shall be determined in accordance with Subsection 3.2.

3.2 Priority of Service

Interruptible transportation services shall be subject to and subordinate to firm transportation services provided by VGS. Priority in allocation of available interruptible capacity shall be determined by first by rate and then on a pro rata basis; provided, however, VGS shall notify Shipper and Shipper will have the right to immediately increase its rate to match the rate(s) paid by other Shippers under Rate Schedule ITS in order to prevent Shipper's flowing quantities from being curtailed.

3.3 Shipper Requests for Interruptible Service

Requests for interruptible service hereunder shall be made by providing the specific information in Section 5 of the General Terms and Conditions. Request for Service forms shall be submitted to VGS, Attention: Manager: Transportation Services. VGS shall consider all complete requests in the order received and will notify Shipper in writing of the acceptance of a complete request.

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

GENERAL TERMS AND CONDITIONS  
(Continued)

3.4 Request Invalidation

Requests for interruptible service under this FERC Gas Tariff will be invalid and will not be considered if service is requested to commence later than six (6) months after the information specified in Section 5 of the General Terms and Conditions is provided to VGS.

3.5 Execution of Service Agreement

Shipper must execute an Interruptible Service Agreement in the form contained in this FERC Gas Tariff within thirty (30) days from the date VGS tenders an Interruptible Service Agreement for execution. If a Shipper fails to execute an Interruptible Service Agreement within thirty (30) days, the request for interruptible service shall be deemed a nullity for all present and future purposes.

3.6 Requests For Operating Data

Upon request of VGS, Shipper shall submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Receipt Point and Delivery Point. VGS shall use such information and operating data to determine to the extent practicable its System's Available Capacity, to evaluate potential System capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.

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FERC Docket: CP97-533-002

**Original Sheet No. 67** Original Sheet No. 67 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

3.7 Receipt and Delivery Points

Each Receipt Point and the Delivery Point on VGS' System is available for interruptible transportation service subject to the allocation of capacity at such points first to Firm Transportation Service and second to Interruptible Transportation Service with a higher priority in accordance with Subsection 3.2. Subject to the availability of capacity, a Shipper may utilize, on an interruptible basis, any Receipt Point or the Delivery Point up to the lesser of the daily transportation quantities at each Receipt Point or the Delivery Point or the Maximum Daily Transportation Quantity set forth in its Interruptible Service Agreement with VGS. All Receipt Point(s) as changed from time to time shall be deemed to be included in all Interruptible Service Agreements.

3.8 Interruption of Service

VGS retains all rights at any and all times during the term of an executed Interruptible Service Agreement to decrease or temporarily suspend receipt and/or delivery of gas if such capacity is required to render service of a higher priority. If VGS exercises such rights, Shipper shall hold VGS harmless from any loss, claim, damage or expense that such Shipper or other party may incur by reason of such decrease or suspension.

GENERAL TERMS AND CONDITIONS  
(Continued)

3.9 Failure to Use Service

If within three (3) months after the execution of an Interruptible Service Agreement Shipper has not commenced service under the provisions of such executed Interruptible Service Agreement, or if Shipper has commenced service but fails to use service during a consecutive twelve (12) month period after commencement, VGS may, on a non-discriminatory basis, terminate the Interruptible Service Agreement and Shipper's request for interruptible service shall be deemed a nullity for all present and future purposes. VGS shall give Shipper written notice thirty (30) days in advance of termination of an executed Interruptible Service Agreement. Shipper may retain the Interruptible Service Agreement by notifying VGS in writing of its intent to retain such Service Agreement; however, if Shipper fails to use service during a consecutive twelve (12) month period after notice of its intent to retain such service, the Interruptible Service Agreement and Shipper's request for interruptible service shall be automatically terminated and abandoned.

3.10 Overbooking of Available Capacity

VGS may contract to transport gas, on an interruptible basis, in excess of Available Capacity. If such overbooking should ever limit VGS' ability to provide interruptible service, then VGS shall provide such service on the basis described in Section 8 of the General Terms and Conditions.

3.11 Uniform Hourly Deliveries

The Gas shall be delivered and redelivered as nearly as practicable at uniform hourly and daily rates of flow, and VGS shall not be obligated to receive more than 1/24th of Shipper's total MDTQ during any hour.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

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

GENERAL TERMS AND CONDITIONS  
(Continued)

3.12 Additional Facilities

VGS shall not be required to construct additional facilities, modify or expand facilities or acquire facilities to provide interruptible transportation service.

4. POOLING

VGS will offer paper pooling services pursuant to Rate Schedule PS.

GENERAL TERMS AND CONDITIONS  
(Continued)

5. REQUESTS FOR SERVICE

5.1 Request for Service Form

Each Shipper or Customer requesting firm transportation service, interruptible transportation service, title transfer service or pooling service hereunder shall provide the following information:

1. Customer's Name: \_\_\_\_\_  
(legal name of signatory party)  
State of Incorporation: \_\_\_\_\_  
(if applicable)  
(Or) Other Legal Description: \_\_\_\_\_  
(e.g., partnership)

Customer is: (check one)

_____	LDC/Distributor	_____	Intrastate Pipeline
_____	Producer	_____	Interstate Pipeline
_____	End User	_____	Marketer
_____	Other:	_____	_____

Is Customer affiliated with VGS?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, list type and extent of affiliation.

\_\_\_\_\_  
Is the supplier of gas to be transported in any transaction associated with this request affiliated with VGS?

\_\_\_\_\_ Yes \_\_\_\_\_ No

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

GENERAL TERMS AND CONDITIONS  
(Continued)

If yes, list the name of the supplier and the extent of affiliation with VGS.

\_\_\_\_\_

2. Requesting Party's Name: \_\_\_\_\_  
(if different than Customer)

3. Customer Contacts:

	Notices	Invoicing	Nominations
Name:	_____	_____	_____
Title:	_____	_____	_____
Street	_____	_____	_____
Address:	_____	_____	_____
Mailing	_____	_____	_____
Address:	_____	_____	_____
Telephone:	_____	_____	_____
Fax:	_____	_____	_____
E-mail:	_____	_____	_____

24-Hour Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Internet Address: \_\_\_\_\_

SERVICE INFORMATION

4. Request is for:

\_\_\_\_\_ New Service

\_\_\_\_\_ Amendment to Agreement No. \_\_\_\_\_

5. Service Authority:

\_\_\_\_\_ NGPA Section 311 Service

\_\_\_\_\_ NGA Section 7(c) Blanket Authority (Part 284)

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FERC Docket: CP97-533-002

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

GENERAL TERMS AND CONDITIONS  
(Continued)

6. Service Type:

- \_\_\_\_\_ Firm Service (Rate Schedule FTS-1)
- \_\_\_\_\_ Firm Service (Rate Schedule FTS-2)
- \_\_\_\_\_ Interruptible Service (Rate Schedule ITS)
- \_\_\_\_\_ Title Transfer Service (Rate Schedule TTS)
- \_\_\_\_\_ Pooling Service (Rate Schedule PS)

7. Primary Term:

Commencement Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_

Secondary Term (if appropriate):

- \_\_\_\_\_ Month to month, upon termination of primary term subject to thirty (30) days prior written notice by either party.
- \_\_\_\_\_ Year to year, upon termination of primary term subject to thirty (30) days prior written notice by either party.
- \_\_\_\_\_ Other: \_\_\_\_\_  
upon termination of primary term subject to thirty (30) days prior written notice by either party.

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FERC Docket: CP97-533-002

**Original Sheet No. 73** Original Sheet No. 73 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

8. Transportation Quantities:  
Firm Service Maximum Daily  
Reservation Quantity \_\_\_\_\_ Dth  
  
Interruptible Service Maximum Daily  
Transportation Quantity \_\_\_\_\_ Dth
9. Estimated Transportation Quantity Over Primary Term  
\_\_\_\_\_ Dth.

RECEIPT/DELIVERY POINTS

10. Receipt Point(s):	Maximum Daily Quantity/Dth
_____	_____
_____	_____
_____	_____
_____	_____

11. Delivery Point:	Maximum Daily Quantity/Dth
_____	_____

"ON BEHALF OF" ENTITY INFORMATION (NGPA Section 311(a) only)

12. Service pursuant to Section 311(a) of the NGPA will  
be "On Behalf Of" (Legal Name) \_\_\_\_\_,  
which is an:  
  
\_\_\_\_\_ LDC \_\_\_\_\_ Intrastate

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FERC Docket: RP08-176-000

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

GENERAL TERMS AND CONDITIONS  
(Continued)

13. The named "On Behalf Of" entity will:

\_\_\_\_\_ have physical custody of and transport  
the gas

\_\_\_\_\_ hold title to the gas

VGS must receive a written acknowledgment from each "on behalf of" entity confirming that it is a local distribution company or an intrastate pipeline, as defined in the NGPA, and that it will either have physical custody of and transport the gas or hold title to the gas.

14. Send completed requests to:

By Mail, Courier and Overnight Delivery:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002

Attn: Manager, Gas Control

Telephone No.: (713) 584-1353

By fax:

Fax No.: (713) 584-1505

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FERC Docket: CP97-533-002

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

GENERAL TERMS AND CONDITIONS  
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CUSTOMER AUTHORIZATIONS

Customer hereby agrees to abide by the terms of VGS' FERC Gas Tariff, and the Rate Schedule and General Terms and Conditions that are part of VGS' FERC Gas Tariff. Customer further agrees that VGS may make an inquiry into Customer's credit worthiness and obtain adequate assurances of Customer's solvency and ability to fulfill its payment obligations. Customer has provided herewith, credit information including, but not limited to, three (3) trade references and Customer's most recent audited or otherwise verified financial statements, annual report, and Form 10-K or alternate credit information sufficient to demonstrate that Customer will be able to meet its financial obligations under the requested Rate Schedule. Customer agrees and acknowledges that VGS may refuse to provide service pursuant to this Request for Service if Customer fails to provide the information sought by VGS that, in VGS' reasonable judgment, assures VGS of Customer's solvency and ability to perform its obligations under any Service Agreement, or if Customer is unable to or fails to demonstrate credit worthiness.

Customer's Authorized Signature

Name: \_\_\_\_\_

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

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

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FERC Docket: CP97-533-002

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

GENERAL TERMS AND CONDITIONS  
(Continued)

5.2 Incomplete Service Forms

Request for Service forms received by VGS that do not contain all the information specified in Subsection 5.1, including credit information sufficient to demonstrate that a Customer will be able to meet its financial obligations under the requested Rate Schedule, will be considered incomplete. VGS will notify Customer in writing of any deficiencies of a request, and Customer shall provide the additional information required for a valid request within thirty (30) days. Incomplete requests for service that are not completed within thirty (30) days of a deficiency notification shall be deemed a nullity for all present and future purposes.

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**Second Revised Sheet No. 77** Second Revised Sheet No. 77 : Effective  
Superseding: First Revised Sheet No. 77

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(Continued)

6. NOMINATION AND CONFIRMATION PROCEDURES

6.1 Required Information

- a. Customer shall nominate gas by notifying VGS of the daily quantity of gas in Dths it has available at the Receipt Point and of the quantity of gas it desires to have delivered at the Delivery Point. The total delivery nominations to be delivered for the account of Shipper by VGS must equal the total receipt nominations less Unaccounted For Gas.
- b. All nominations must include Customer-defined begin dates and end dates. Customers have the right to nominate for one or more days, months, or years, provided the nominations' begin and end dates are within the term of Customer's Service Agreement.

6.2 Form of Nomination

Nominations may be submitted in writing or via EDI, and must include the information specified in Subsection 6.1, and the information required in a "Nomination" as defined in Section 1 of the General Terms and Conditions.

6.3 Staffing

VGS will support a seven-day-a-week, twenty-four-hour-a-day nominations process. VGS' personnel may not be at VGS' office, but will be available by telephone or beeper.

6.4 Nomination Cycles

There are four nomination cycles; Timely (daily); Evening; Intra-day 1; and Intra-day 2. VGS will determine the applicable nomination processing cycle based upon the receipt time and beginning effective day of the nomination. Where VGS supports the processing of beginning effective time, VGS will also use the beginning effective date and time in determining the applicable

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**Fourth Revised Sheet No. 78** Fourth Revised Sheet No. 78 : Effective  
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(Continued)

nomination processing cycle in lieu of using the nomination's receipt date and time to determine the processing cycle. VGS will make an end of the gas day Scheduled Quantity document available to Shippers, but Shippers may waive VGS' obligation to send this information. The Nomination Cycles and timelines provided in Sections 6.5 through 6.8 hereof shall apply to Shippers and Title Transfer Tracking Service Providers.

6.5 Timely Nomination Cycle

All times listed in this Subsection 6.4 are Central Clock Time and are on the day prior to gas flow.

- a. Nominations must leave the control of the nominating party by 11:30 a.m.
- b. Nominations must be received by VGS by 11:45 a.m.
- c. VGS will send a Quick Response by noon.
- d. Upstream and downstream connected parties must confirm with VGS no later than 3:30 p.m.
- e. VGS will provide scheduled quantities to Shippers and point operators at its Designated Site by 4:30 p.m. (Central Clock Time on the day prior to flow).
- f. For purposes of this Section 6.5, "provide" shall mean, for transmittals pursuant to GISB standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- g. VGS reserves the right to waive the nomination deadline on a nondiscriminatory basis; however, any written or electronic (EDI) nominations received after the above stated deadline will be scheduled after nominations submitted by the deadline.

GENERAL TERMS AND CONDITIONS  
(Continued)

6.6 The Evening Nomination Cycle:

All times listed are Central Clock Time.

- a. Nominations must leave the control of the nominating party by 6:00 p.m. on the day prior to gas flow.
- b. Nominations must be received by VGS by 6:15 p.m.
- c. VGS will send a Quick Response by 6:30 p.m.
- d. Upstream and downstream connected parties must confirm with VGS no later than 9:00 p.m.
- e. VGS will provide scheduled quantities to affected Shippers and point operators at their Designated Site, and will provide notice to Bumped parties, by 10:00 p.m. (Central Clock Time on the day prior to flow).
- f. Scheduled quantities resulting from an Evening Nomination that does not cause another Customer on VGS to receive notice that it is being Bumped will be effective at 9:00 a.m. on gas day; and when an Evening Nomination that causes another Customer on VGS to receive notice that it is being Bumped, the scheduled quantities will be effective at 9:00 a.m. on gas day.

6.7 Intra-Day 1 Nomination Cycle:

All times are Central Clock Time on gas day.

- a. Nominations must leave the control of the nominating party by 10:00 a.m.
- b. Nominations must be received by VGS by 10:15 a.m.

GENERAL TERMS AND CONDITIONS  
(Continued)

- c. VGS will send a Quick Response by 10:30 a.m.
- d. Upstream and downstream connected parties must confirm with VGS no later than 1:00 p.m.
- e. VGS will provide scheduled quantities to Customers and point operators at their Designated Site, and will provide notice to Bumped parties, by 2:00 p.m. (Central Clock Time on the gas day).
- f. Scheduled quantities resulting from Intra-day 1 nominations will be effective at 5:00 p.m. on gas day.
- g. For purposes of this Section 6.7, "provide" shall mean, for transmittals pursuant to GISB standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

6.8 Intra-Day 2 Nomination Cycle:

All times are Central Clock and on gas day.

- a. Nominations must leave the control of the nominating party by 5:00 p.m.
- b. Nominations must be received by VGS by 5:15 p.m.
- c. VGS will send a Quick Response by 5:30 p.m.
- d. Upstream and downstream connected parties must confirm with VGS no later than 8:00 p.m.
- e. VGS will provide scheduled quantities to affected Shippers and point operators at their Designated Site by 9:00 p.m. (Central Clock Time on gas day).

**Second Revised Sheet No. 81** Second Revised Sheet No. 81 : Effective  
Superseding: First Revised Sheet No. 81

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(Continued)

- f. Scheduled quantities resulting from Intra-day 2 nominations will be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.
- g. For purposes of this Section 6.8, "provide" shall mean, for transmittals pursuant to GISB standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

6.9 Confirmation of Nominated Quantities

- a. All nominations will be confirmed by VGS via telephone, telecopy or EDI. VGS will initiate the confirmation process. The party that would receive a request for confirmation or an unsolicited confirmation response may waive the obligation of the sender to send. There should be at least one Confirming Party on each side of a physical location.
- b. With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the lesser of the confirmation quantity or the previously scheduled quantity will be the new confirmed quantity.
- c. With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the previously scheduled quantity will be the new confirmed quantity.

GENERAL TERMS AND CONDITIONS  
(Continued)

- d. With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the Elapsed-Prorated-Scheduled Quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the greater of the confirmation quantity or the Elapsed-Prorated- Scheduled Quantity will be the new confirmed quantity.
  
- e. With respect Section 6.9 (b), (c) and (d) above, if there is no response to a request for confirmation or an unsolicited confirmation response, VGS will provide the service requester with the following information to explain why the nomination failed, as applicable:
  - (1) the service requester's transportation service provider did not conduct the confirmation;
  - (2) the service requester is told by transportation service provider that the upstream Confirming Party did not conduct the confirmation;
  - (3) the service requester is told by transportation service provider that the upstream service requester did not have the gas or submit the nomination;
  - (4) the service requester is told by transportation service provider that the downstream Confirming Party did not conduct the confirmation;
  - (5) the service requester is told by transportation service provider that the downstream service requester did not have the market or submit the nomination.

GENERAL TERMS AND CONDITIONS  
(Continued)

This information will be imparted to the service requester on the scheduled quantity document.

- f. The explicit confirmation process requires that the Confirming Party respond to a request for confirmation or initiate an unsolicited confirmation response. Absent mutual agreement to the contrary, explicit confirmation is the default methodology.
- g. For request to confirm and confirmation response processes, all parties will seek to confirm by means of communicating at the applicable detail / summary level all transactions with respect to a location.
- h. In the confirmation process, where a party requesting confirmation (a Confirmation Requester) is not itself a Transportation Service Provider, the location code to be used when sending a Request for Confirmation should be the location code associated with the location where gas will be scheduled by the Transportation Service Provider; and, where a Confirmation Requester is also a Transportation Service Provider; then, as between these confirming parties (the Confirmation Requester and the Confirming Parties), and absent their mutual agreement to the contrary, the location code to be used when sending a Request for Confirmation should be the location code used by the Transportation Service Provider sending the Request for Confirmation.

6.10 Bumping and Intra-Day Limitations

- a. For services that provide for Intra-Day Nominations and scheduling, there is no limit to the number of Intra-Day Nominations (line items as per GISB Standard 1.2.1) which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.
- b. VGS will permit Intra-Day Nominations: 1) to increase or decrease total flow, 2) to change Receipt Points, 3) to change Delivery Points; and 4) to schedule new Receipt (supply) or Delivery (market) Points.
- c. Intra-Day Nominations are permitted at all Receipt Points and Delivery Points.
- d. Bump Protection for Firm Primary Points: VGS will not schedule an Intra-Day Transportation Nomination, if the result of scheduling such nomination would be to Bump flowing and scheduled transportation under any firm service at a Primary Receipt or Delivery Point.

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

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(Continued)

- e. Bump Protection for Other Services: VGS will not schedule an Intra-Day Nomination under any firm rate schedule if such change will Bump scheduled and flowing services of an equal priority. VGS will not schedule an Intra-Day Nomination under any firm rate schedule if such change will Bump scheduled and flowing of a lower priority service unless the nomination change is an intra-day change for a Primary or Secondary Receipt Point under the Shipper's Firm Transportation Service Agreement.
- f. Bumping that affects transactions on multiple transportation service providers will occur at grid-wide synchronization times only.
- g. If VGS exceeds the standard nomination time line, VGS is not required to hold capacity for grid-wide nominations until a standard nomination cycle.
- h. Intra-Day Nominations must be based on a daily quantity, and include an effective date and time.
- i. Bumping Scheduled Quantities: When a previously confirmed and scheduled quantity is altered, notification of such alteration will be provided, through the affected party's choice of Electronic Notice Delivery Mechanism or phone or fax; unless VGS and Shipper(s) have agreed to the exclusive use of EDI, Shipper(s) must provide VGS with at least one internet E-mail address to be used for Electronic Notice Delivery of intra-day bumps. VGS will support the concurrent sending of electronic notification of intra-day bumps to two internet E-mail addresses for each Shipper. Such E-mail will include a subject line that includes the following information in the following manner: (1) "Critical", (2) Notice Type label (per GISE Standard 4.2.19), (3) the Notice Effective Date in YYYYMMDD format, (4) "VGS", and (5) VGS' DUNS Number. In addition, the notice will indicate the affected Service Requester Contract, Receipt and/or Delivery Location, and Receipt and/or Delivery Point Quantity from the Scheduled Quantity. Notification of alteration will be provided to all parties below that are affected: (1) Confirmation Requester in a confirmation response (or unsolicited confirmation response as applicable) document by the Confirming Party; (2) Confirming Party in a request for confirmation document by the Confirmation Requester; (3) service requester(s) in a scheduled quantity document by the applicable Confirming Party or Confirmation Requester on whose system the service requester(s) nomination(s) were made.

GENERAL TERMS AND CONDITIONS  
(Continued)

Applicable notifications of such alterations will be provided to the affected parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the Confirmation Requester of Confirming Party, respectively. With respect to the implementation of this process via the 1.4.X GISB standards, Confirming Parties will send the applicable document(s) to the applicable party(ies) no later than the next time they are slated to communicate confirmations or scheduled quantities (as applicable).

- j. Rollover Prohibition: Intra-Day Nominations span one day only. Intra-Day nominations do not replace the remainder of a standing nomination.
- k. Hourly Flow Limitations: VGS will attempt to agree with the interconnected parties on the hourly flows for Intra-Day Nominations.
- l. Interruptible Shippers that are Bumped as a result of the Intra-Day Nomination process will be subject to daily penalties only during critical periods.
- m. Intra-Day Nominations by a firm Shipper will have scheduling priority over the nominated and scheduled quantities of Interruptible Shippers. Interruptible Shippers whose volumes are Bumped as a result of Intra-Day Nominations by firm Shippers will be provided advance notice of such Bump via telephone and fax or e-mail. This notice will indicate whether a critical penalty is in effect on the day the Interruptible Shipper's volumes are being reduced.

6.11 Unaccounted For Gas

- a. The formula for calculating Unaccounted For Gas for nominations is "(1 - Retention %/100) multiplied by receipt quantity = delivery quantity." The result of the calculation will be rounded to the nearest Dth for each nomination. VGS will not reject a nomination for reasons of rounding differences of less than five (5) Dth.
- b. VGS will make Unaccounted For Gas rates effective only at the beginning of a month.

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6.12 Nomination Changes

All nominations are considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

6.13 Authorized Overrun Nominations

Nominations for quantities in excess of the Maximum Daily Reservation Quantity for service under Rate Schedule FTS-1 or FTS-2 must be nominated as a separate transaction. Authorized Overrun Nominations will be treated as transportation under Rate Schedule ITS.

6.14 Rankings

Customers may provide rankings for gas nominated for receipt and delivery. Nominations without a ranking will be scheduled on a pro rata basis. Priority 1 means the highest priority. Priorities 2, 3, etc. are in descending order of priority. Quantities assigned the same rank will be scheduled and curtailed on a pro rata basis. VGS will use the customer-provided rankings when making reductions during the scheduling and curtailment process, when this does not conflict with tariff-based rules.

6.15 Package Identification Code

VGS will support the use of Package Identification (ID) Codes for nominating, scheduling, and invoicing (sales and purchases), and mutually agree with applicable parties regarding transportation, allocation and imbalance reporting. The Customer may assign a Package ID to each nomination.

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6.16 Required Nomination Changes

VGS may require revised nominations or prospective nomination changes by Customer if the daily flows under a particular Service Agreement differ from confirmed nominations, or if an imbalance has occurred due to some operational reason. When a Customer receives notice requiring a revised nomination or prospective nomination change, Customer shall submit a nomination in accordance with this Section 6 and with the revisions specified by VGS.

6.17 Delegation of Nomination Authority to Agent

A Customer may delegate to any third party the responsibility for submitting nominations and receiving confirmations or performing other administrative duties under any Service Agreement, subject to the following conditions:

- a. Any designation of a third party as agent, or any change in such designation, must be provided in writing to VGS at least two (2) business days prior to the requested effective date of the designation.
- b. The written designation shall specify any limits on the authority of the Agent, including any time limit for the designation.
- c. VGS will rely on communications from a Customer's Agent for all nomination purposes except to the extent the designation is explicitly limited. Limitations must be clearly specified. Customer will hold VGS harmless and shall indemnify VGS for any costs or damages incurred by VGS in the event VGS' good faith interpretation of a limitation proves inconsistent with the intent of

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the limitation. VGS reserves the right to reject delegations for reasons of unclear or impracticable limitations placed thereon. Communications by VGS to such Agent shall be deemed notice to Customer, except to the extent the Agent's authority is explicitly limited with respect to the receipt of notice under the provisions of Subsection 6.12(b).

- d. Any third party may administer multiple Service Agreements as the Agent for one or more Customers; however, the Agent shall administer and account separately for each Service Agreement.

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TIMELY NOMINATION/INTRA-DAY NOMINATION MODEL

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6.18 Quick Response For Nominations Outside Timely/Intra-day  
Nomination Schedule

- a. With the exception of otherwise stated GISB nominations deadlines, when VGS receives a Nomination document from a Service Requester by the conclusion of a given quarter hour period, VGS will send to the Service Requester's designated site a corresponding Quick Response document by the conclusion of the subsequent quarter hour period.
- b. VGS's nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for nominations/quick response turnaround stated in GISB Standard 1.3.37. Such delays should be kept to a minimum. The normal schedule should be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week.

6.19 Confirmation Quick Response Outside Timely/Intra-day  
Nomination Schedule

- a. When a confirmation Requester receives a Confirmation Response document from a Confirming Party by the conclusion of a given quarter hour period, the Confirmation Requester will send to the Confirming Party's designated site a corresponding Confirmation Response Quick Response document by the conclusion of the subsequent quarter hour period.

The quarter hour periods will be defined to begin on the hour and at 15, 30, and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour.

- b. Confirming Parties' nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for confirmations/quick response turnaround stated in GISB Standard 1.3.45. Such delays should be kept to a minimum. The normal schedule should be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week.

7. RESERVED FOR FUTURE USE

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8. SCHEDULING AND CURTAILMENT

8.1 Allocation of Available Capacity

Each Nomination Cycle, upon consideration of prevailing operating conditions, scheduled or unscheduled maintenance or repairs, and similar conditions, VGS shall allocate Available Capacity in sequence on the basis of the Delivery Point priorities, followed by mainline segment capacity priorities, and finally by Receipt Point priorities, in the following manner:

- a. Delivery Point capacity will be first allocated to Shippers who have designated their Delivery Point as a Primary Delivery Point in Exhibit B of an executed Firm Service Agreement, followed by allocation to interruptible shippers first by rate and then on a pro rata basis; provided, however, VGS shall notify Shipper on any given Day and Shipper will have the right to immediately increase its rate to match the rate(s) paid by other interruptible shippers in order to prevent Shipper's flowing quantities from being curtailed.
- b. Mainline segment capacity will be allocated in the following sequence from highest priority to lowest priority:
  - (1) Primary Delivery Point from Primary and Secondary Receipt Points within the path of the Primary Receipt and Primary Delivery Points;

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- (2) Primary Delivery Point from Secondary Receipt Points outside the path of the Primary Receipt and Primary Delivery Points;
  - (3) Interruptible Delivery Point from interruptible Receipt Points.
- c. Receipt Point capacity will be first allocated to Shippers who have designated the Receipt Point as a Primary Receipt Point in Exhibit A of an executed Firm Service Agreement, followed by allocation to Firm Shippers who have nominated the Receipt Point as a Secondary Receipt Point on a pro rata basis, and finally allocated to interruptible shippers first by rate and then on a pro rata basis; provided, however, VGS shall notify Shipper on any given Day and Shipper on any given day will have the right to immediately increase its rate to match the rate(s) paid by other interruptible shippers in order to prevent Shipper's flowing quantities from being curtailed.

8.2 Scheduling Nominated Quantities

Promptly upon the close of the nomination deadline and the confirmation process for each nomination cycle, VGS shall evaluate all confirmed nominations and the anticipated Available Capacity of VGS' System. VGS shall schedule nominated quantities of gas to the extent capacity is available in accordance with Subsection 8.1. The daily grid-wide synchronization times for scheduled flow are 9:00 a.m., 5:00 p.m., and 9:00 p.m.

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8.3 Critical Notice

If VGS determines that operational circumstances exist such that the issuance of an OFO or the declaration of a Critical Day is imminent, but corrective actions may be taken to mitigate such circumstances, VGS shall issue a Critical Notice to warn affected Shippers of a potential OFO or Critical Day declaration. Shippers may be notified through their choice of Electronic Notice Delivery mechanism or phone or fax; unless VGS and Shipper(s) have agreed to the exclusive use of EDI, Shipper(s) must provide VGS with at least one internet e-mail address to be used for Electronic Notice Delivery of Critical Notices. VGS will support the concurrent sending of electronic notification of Critical Notices to two internet E-mail addresses for each Shipper. Such E-mail will include a subject line that includes the following information in the following manner: (1) "Critical", (2) Notice Type label (per GISB Standard 4.2.19), (3) the Notice Effective Date in YYYYMMDD format, (4) "VGS", and (5) VGS' DUNS Number. VGS will postpone the issuance of an OFO or Critical Day declaration and allow warned Shippers the opportunity to take corrective actions, provided the warned Shippers advise VGS of their proposed corrective actions. Failure to implement corrective measures by such Shippers may ultimately result in the issuance of an OFO or the declaration of a Critical Day by VGS.

8.4 Critical Day

When a Critical Day exists on the VGS System, VGS, may after six hours prior notice to Customer, unilaterally make adjustments to maintain a balance between Customer's receipts and deliveries. VGS shall provide Customer notice via telephone and either fax, E-mail or via VGS' Internet Home Page. A Critical Day shall be deemed to exist only when (a) Customer's current daily rate of deliveries at the Receipt Point(s) is in excess of the current daily rate of deliveries for Shipper's account at the Delivery Point (Current Imbalance), by the greater of 1% of the daily scheduled volumes or 1,500 Dths per Day, (b) Shipper's Current Imbalance is adversely affecting Customers who are capable of delivering Gas into VGS' System during normal conditions, and (c) VGS has notified Shipper that a Critical Day exists. If Customer fails to take corrective action on its own to maintain a balance between Customer's receipt and deliveries during a Critical Day and VGS is unable to adjust Customer's receipt and deliveries in accordance with the above to maintain receipts and

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deliveries to VGS' other Customers, then VGS may assess a penalty of \$1.00 per Dth multiplied by the amount that Customer's Receipt Point volumes (less Unaccounted For Gas quantities) are in excess of Customer's nominated and confirmed Delivery Point volumes for each Day VGS' Critical Day is in effect.

8.5 Operational Flow Orders

VGS shall have the right to issue Operational Flow Orders (OFOs) in the event that (1) conditions exist that threaten or could threaten the safe operations or system integrity of VGS' System, or (2) corrective actions are necessary to maintain pipeline operations at pressures required to provide efficient and reliable firm transportation service. While the issuance of an OFO would likely be the result of a major weather event such as a hurricane or tropical storm or the failure of pipeline facilities, other potential events include but are not limited to conditions affecting adequacy of supplies, i.e., for mainline injection points, line pack, etc., and conditions affecting VGS' ability to manage the system "in balance." VGS will determine, in its reasonable judgment, the circumstances that will result in the issuance of an OFO. The issuance of an OFO will depend on the quantities of gas confirmed and scheduled, the point(s) where the actual receipts or deliveries deviate from confirmed and scheduled quantities, whether an OBA is governing the allocation at the point(s), and the relationship of these individual factors to the general system operations on any given day. OFOs will identify the situation to be addressed and shall, to the extent possible, identify specific actions to be taken by Customer stated in terms of an hourly gas flow level and a length of time the OFO shall be in effect. VGS will minimize the use of OFOs, and when possible, direct an OFO to the specific party(ies) creating the operating condition. Unless due to circumstances beyond VGS' control or reasonable ability to foresee, OFOs will be issued prior to 9:00 A.M. Central Clock Time to be effective at 9:00 A.M. Central Clock Time the following day. In addition to the 24 hour notice requirement of this Section 8.5, VGS shall post on its EBB, with as much advance warning as is reasonably practicable, information regarding the operational variables that give, or will in the future give, rise to issuance of an OFO, and VGS will provide updates regarding the expected duration of an OFO based on those variables. Within a reasonable time period following the termination of an OFO, VGS shall post on its EBB a report detailing the factors requiring the issuance and termination of an OFO. OFOs affecting a number of Customers on all or any portion of VGS' System will be posted on VGS' Internet Home Page. To the extent that an OFO is applicable

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to specific Customers, VGS will notify such Customers by the Shipper's choice of Electronic Notice Delivery mechanism or phone or fax; unless VGS and Shipper(s) have agreed to the exclusive use of EDI, Shipper(s) must provide VGS with at least one internet e-mail address to be used for Electronic Notice Delivery of OFOs. VGS will support the concurrent sending of electronic notification of OFOs to two internet E-mail addresses for each Shipper. Such E-mail will include a subject line that includes the following information in the following manner: (1) "Critical", (2) Notice Type label (per GISB Standard 4.2.19), (3) the Notice Effective Date in YYYYMMDD format, (4) "VGS", and (5) VGS' DUNS Number. If a Customer makes a contact person available for such notices on a 24-hour basis, and provides all necessary information to VGS, VGS will use reasonable efforts to give actual notice to that person, as time permits. A penalty will not be imposed on a Customer that fails to comply with an OFO unless that Customer's contact person has been notified of the OFO and the Customer does not comply within the time frame specified in the OFO.

a. OFO Levels. If VGS determines that it is necessary to issue an OFO, VGS will classify the OFO within one of the following three levels of severity, with Level 1 representing the least severe operational condition and Level 3 representing the most severe operational condition:

Level 1: VGS experiences any event covered by the provisions of this Section 8.5 that threatens VGS' ability to maintain firm service from any receipt point.

Level 2: VGS experiences any event covered by the provisions of this Section 8.5 that threatens VGS' ability to maintain firm service from multiple receipt points.

Level 3: VGS experiences any event covered by the provisions of this Section 8.5 that threatens VGS' ability to maintain firm service across its entire system.

8.6 Compliance with Operational Flow Orders

OFOs issued to alleviate conditions that threaten the operational integrity of VGS' System will require compliance within four (4) hours of notification, or such other time specified in the OFO. Any Customer receiving an OFO may undertake any of the following actions necessary to comply with such order, as applicable:

- a. Commence or increase tenders of gas into VGS' System by a specified quantity at Receipt Points or shift tenders of gas, in whole or part, to different Receipt Points;
- b. Cease or reduce tenders of gas into VGS' System by a specified quantity at specific Receipt Points;
- c. Commence or increase takes of gas from VGS' System by a specified quantity at specified Delivery Points;
- d. Cease or reduce takes of gas from VGS' System by a specified quantity at specified Delivery Points.

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If a Customer is notified by VGS of an OFO and fails to comply with such OFO, such Shipper may be subject to a penalty of \$15.00 per Dth for quantities received and/or delivered in excess of the quantities specified by VGS in such OFO. If such Customer complies by adjusting its tenders or takes within the time period specified in an OFO, the Customer shall not be subject to the penalty set forth in this Subsection 8.6. Customer compliance shall be a change in gas flow to the level specified by VGS and will be evidenced by the confirmation of a flow rate change from an Upstream or Downstream Operator or the confirmation of a flow rate change by VGS. VGS will assist any Customer in complying with an OFO. VGS will not impose a penalty for failure to comply if a Customer demonstrates that all reasonable efforts have been made to comply, including but not limited to taking other actions (in consultation with VGS) to achieve the purpose of the OFO, and additionally seeks VGS' assistance within the time specified in the OFO for commencement of corrective action.

Where a nomination is required by VGS to make an effective physical change necessary to comply with an OFO, unless critical circumstances dictate otherwise, an OFO penalty will not be assessed unless the Customer has the opportunity to correct the circumstances giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstances will include the opportunity: (a) to make a nomination that, once confirmed and scheduled, would cure the circumstance giving rise to the OFO, or (b) to take other appropriate action that cures the circumstance giving rise to the OFO. A Customer's response to an OFO will not be constrained by restrictions on the submittal and processing of Intra-Day Nominations.

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8.7 Operational Flow Orders by Upstream or  
Downstream Operators or Pipelines

To the extent an upstream or downstream operator or pipeline issues an OFO or similar order, VGS will notify Customers of such order as soon as practicable, and direct Customers to respond accordingly and within the time limits specified by the upstream or downstream pipeline. If a Customer fails to respond to such order, VGS will assess such Customer the greater of \$15 per dekatherm, or the penalties assessed on VGS by the upstream or downstream operator or pipeline.

8.8 Imbalances Resulting from Operational Flow  
Orders

To the extent any monthly imbalance or portion thereof is a direct result of Shipper's inability to balance receipts and deliveries during the month due to the issuance of an OFO, Customer will have until the end of the next calendar month to reconcile that portion of the imbalance attributable to its compliance with the OFO. Customer shall submit a plan to VGS to reconcile such imbalances to VGS. To the extent a plan accepted by VGS cannot be executed because of actions taken by VGS, Customer will have an additional calendar month to correct an OFO-based imbalance. Any imbalance remaining at the end of the extended period will be subject to the imbalance resolution procedures set forth in Section 11 of this FERC Gas Tariff.

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8.9 Curtailment

If, at any time, VGS determines because of operating or other conditions affecting its System, that the transportation capacity of all or part of its System is insufficient to serve all transportation quantities confirmed and scheduled on such day, Available Capacity shall be allocated in a manner that results in curtailment of transportation services on all or part of its System where capacity is insufficient in the following priority:

- a. First, Shippers who nominated transportation quantities under Interruptible Service Agreements according to rate, and then pro rata; and
- b. Second, pro rata among Shippers who nominated transportation quantities under Firm Service Agreements. Pro rata curtailments of firm service will be based on the ratio of each Shipper's confirmed and scheduled transportation quantities to the Shipper's Maximum Daily Reservation Quantity multiplied by the amount of capacity available to Shippers.

If the transportation capacity is limited on only part or parts of VGS' System, including the Delivery Point and/or Receipt Points, VGS' curtailment orders pursuant to Subsection 8.9, may be limited to the transportation services confirmed and scheduled for such part or parts of VGS' System.

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8.10 Notice of Curtailment

VGS shall notify all affected Shippers by phone and via fax, E-mail or its Internet Home Page as soon as practical and in a manner that is reasonable under existing conditions that a period of curtailment exists. Such notice shall set forth any limits on receipts or deliveries and the anticipated duration of such curtailment period. Upon notice of curtailment, Shipper shall adjust its receipts and/or deliveries of gas as specified by VGS and make such adjustments within the time period specified by VGS. Shipper compliance shall be a change in gas flow to the level specified by VGS and will be evidenced by the confirmation of a flow rate change with an Upstream or Downstream Operator or the confirmation of the flow rate change by VGS.

8.11 Emergency Procedures

Variations in the curtailment procedures set forth in Subsection 8.9 may, upon request and authorization, be permitted by VGS when necessary to respond to emergency situations (including environmental emergencies) where supplemental deliveries are required to forestall injury to life or property.

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9. UNAUTHORIZED DELIVERY CHARGE

Unauthorized deliveries are deliveries of gas made to VGS at the Receipt Point(s) prior to the execution of an FTS-1, ITS, or TTS Agreement or the submission of a nomination as provided in Section 6 of VGS' General Terms and Conditions. Except in those circumstances in which the integrity of the VGS' system is threatened, VGS shall provide Operator or Shipper with prompt notification by telephone and fax or E-mail of such unauthorized deliveries, including the system conditions and specific response required, and Operator or Shipper shall have forty-eight (48) hours after said notification to initiate corrective action. If the Operator or Shipper has not initiated such corrective action within such forty-eight (48) hour period, VGS shall assess a penalty equal to \$15.00 per Dth multiplied by the unauthorized deliveries; provided, however, that VGS shall waive such penalty if the unauthorized delivery does not cause operational problems on the system. Where system integrity is threatened, VGS shall have the right to take such action as is necessary to terminate such deliveries without any liability on the part of VGS.

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10. ALLOCATION OF MEASURED GAS QUANTITIES

10.1 Allocation of Measured Receipts and Deliveries

Promptly at the end of each month, VGS shall allocate the daily quantity of gas measured at each Receipt Point and the Delivery Point for the accounts of Customers under each Service Agreement. To the extent possible, all quantities of gas measured at each Receipt Point and the Delivery Point shall be allocated on the basis of Customer's confirmed nominations. In the event the quantities of gas measured at any Receipt Point or the Delivery Point do not equal the confirmed nominations for such point, the quantities of gas measured at the Receipt Point or the Delivery Point shall be allocated in accordance with the following methods and in the following order: (1) under the provisions of an Operational Balancing Agreement, (2) on the basis of a Predetermined Allocation, (PDA) or (3) pro rata on the basis of confirmed nominations.

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10.2 Operational Balancing Agreements

VGS is willing to negotiate and execute an Operational Balancing Agreement (OBA) with any Operator for the purpose of minimizing operational imbalances or other matters with respect to the receipt of gas into or the delivery of gas from VGS' System. The OBA shall specify the gas custody transfer procedures to be followed by VGS and the Operator for the confirmation of nominated quantities and allocation of quantities of gas measured at the point(s) of interconnection between VGS and the Operator. The OBA will provide that any variance between quantities of gas measured and confirmed nominations for any day shall be promptly resolved in-kind. To facilitate the determination of variances on a timely basis, VGS and the Operator will agree upon necessary measurement, allocation and accounting procedures and set forth such procedures in the OBA. VGS will post on its Internet Home Page the Receipt Points and Delivery Points where an OBA governs the allocation of quantities of gas measured.

10.3 Eligibility for an Operational Balancing Agreement

VGS shall negotiate and execute OBAs on a non-discriminatory basis with any Operator provided that VGS shall not be obligated to negotiate and execute OBAs with any Operator that:

- a. is not credit worthy as determined pursuant to Section 12.5 of the General Terms and Conditions;
- b. does not maintain, or have available, dispatching operations that are staffed on a continuous basis;

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- c. does not have electronic flow measurement equipment to which VGS has access at the interconnect point(s) for which an OBA is proposed or if VGS does not have electronic flow measurement;
- d. would subject VGS to an increase in operating costs to operate electronic flow measurement or flow control equipment; or
- e. does not commit to timely and final determination of variances based on prompt in-kind resolution.

10.4 Predetermined Allocations

- a. VGS will permit upstream and downstream operators, and all owners of gas that submit a nomination or confirmation to submit a PDA for each Day. PDAs must be submitted prior to gas flow. VGS will send a confirmation that it has received a PDA within fifteen (15) minutes of receipt. If a PDA is not submitted prior to gas flow, VGS will allocate gas to each Customer on a pro-rata basis based on nominations.

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- b. VGS will support the following allocation methodology types at all points: Ranked, Pro Rata, Percentage, Swing, and operator provided value. VGS will not limit the number of PDA allocation methodologies that may be used during an allocation period. A new PDA may be required when a nomination changes; provided, however, a PDA for a partial Day will not be permitted if it would result in a change in quantities allocated for flow prior to submittal of the new PDA. If an OBA is in effect at a point, a PDA is not required to be submitted. VGS will post on its Internet Home Page those Point(s) of Receipt and Delivery where an OBA is in effect.
- c. VGS will report daily operational allocations within one business day after the end of the gas day in which gas has flowed. If the best available data for reporting daily operational allocations is the scheduled quantity, VGS will use the scheduled quantity for the daily operational allocation.

This standard applies to the daily provision of operational allocated quantities whether they are provided pursuant to NAESB WGQ Standard 2.4.3 or NAESB WGQ Standard 2.4.4.

Upon request to VGS, a Service Requester (SR) will be provided operational allocated quantities pursuant to NAESB WGQ Standard 2.4.3 or 2.4.4 for the transaction(s) that have been scheduled by VGS for the SR.

VGS can agree to send the operational allocated quantities on a daily basis to a SR rather than accept the Upload of Request for Download for operational allocated quantities.

VGS is not required to support requests for operational allocated quantities other than on an "all locations for an SR basis." Where VGS has determined to support this standard in a manner other than:

- a) providing specific operational allocated quantities in response to a request for same, or
- b) providing operational allocated quantities on an "all locations for an SR basis," then the SR can rely on the absence of a line item(s) provided by VGS as indicative that the particular line item(s)' scheduled quantities are operational allocated quantities.

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FERC Docket: RP05-430-000

**First Revised Sheet No. 105** First Revised Sheet No. 105 : Effective  
Superseding: Original Sheet No. 105

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- d. VGS will calculate and report allocated quantities, and provide allocation statements. Allocations will be provided by Customer, agreement and location.
- e. VGS will strive to provide the most accurate and timely data available. To the extent possible, VGS will base prior period adjustments on actual measurement data and finalized allocations.
- f. VGS shall be entitled to rely exclusively on an effective predetermined allocation method in allocating the gas measured at the Receipt Point or Delivery Point. No retroactive changes to a predetermined allocation method may be made unless VGS and all affected parties agree in writing.
- g. Disputes of allocations will be resolved within six (6) months from the date of the initial month-end allocation, with three (3) months to rebut an adjustment. Adjustments may be made after this time period if all affected parties agree. This time limit will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this provision.

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FERC Docket: RP05-430-000

**First Revised Sheet No. 106** First Revised Sheet No. 106 : Effective  
Superseding: Original Sheet No. 106

GENERAL TERMS AND CONDITIONS  
(Continued)

10.5 Operational Integrity Limitation

Nothing in this Section 10 or in any executed OBA shall limit VGS' right to take action as may be required to adjust receipts and deliveries under any Service Agreement to alleviate operating conditions that threaten the operational integrity of VGS' System. Such adjustments will be made only in emergency situations where prompt action is required and VGS determines, in its reasonable judgment, that OFOs are inadequate. VGS will provide Customer written justification for any emergency adjustments of receipts and deliveries.

10.6 Allocation Detail

VGS will provide allocations to a Service Requester (SR) at the nomination detail level either in the Allocation (NAESB WGQ Standard 2.4.3) or the Shipper Imbalance (NAESB WGQ Standard 2.4.4). The sending of the Allocation or the Shipper Imbalance to the SR would depend upon VGS' business practices. In either case, the level of detail would only be to the package ID level where mutually agreed between VGS and the SR.

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FERC Docket: RP00-536-001

**First Revised Sheet No. 107** First Revised Sheet No. 107 : Effective  
Superseding: Original Sheet No. 107

GENERAL TERMS AND CONDITIONS  
(Continued)

11. RESOLUTION OF IMBALANCES

All imbalances accrued by Customer under its Service Agreement(s) shall be resolved through the following mechanism.

11.1 Calculation of Monthly Imbalances

VGS will calculate the imbalance for each Service Agreement by determining the difference between the total quantities of gas allocated for the account of Customer at the Receipt Points, which shall be based on actual delivered quantities during the Month of flow and the total quantities of gas nominated by Customer for delivery at the Delivery Point each month, as adjusted for by the Unaccounted For Gas percentage as authorized by Sheet No. 4 and posted on posted on VGS' Home Page. All imbalances accrued by Customer under each of its Service Agreement(s) will be combined to derive a net underdelivery or overdelivery imbalance for resolution purposes. VGS will provide Customers with an imbalance statement at the same time as or prior to the delivery of invoices for transportation services.

11.2 Trading of Imbalances

Customers will be permitted to trade similarly situated imbalances with other Customers. To trade an imbalance, Customer must notify VGS in writing on or before the twenty-fifth (25th) day of the month following the month in which the imbalance was incurred. Such notice should include the following information for the trading Customers: name, the service agreement numbers, the quantity being transferred, a certification that Customer has taken all steps necessary to effect the trade with the other party, and an authorized signatory for both parties.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

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

GENERAL TERMS AND CONDITIONS  
(Continued)

11.3 Cash-out Index

Each week during the month a Spot Index Price will be derived for the following location from the following posted spot price as published in Natural Gas Week's, Spot Gas Prices:

Spot Prices on Interstate Pipeline Systems  
(Delivered-to Pipeline):

Texas Eastern Transmission, LP: East Louisiana  
Columbia Gulf Gas Transmission Co.: Erath, Louisiana

For imbalances due VGS, the spot price used to cash-out imbalances will be highest of the weekly Spot Index Prices identified above, less the 100% Load Factor Reservation Rate and Usage Rate under Customer's Service Agreement. For imbalances due Customer, the spot price used to cash-out imbalances will be lowest of the weekly Spot Index Prices identified above, less the 100% Load Factor Reservation Rate and Usage Rate under Customer's Service Agreement.

In the event that these prices are no longer available or valid, VGS will file to change its tariff and may, at VGS' discretion, select a representative price in the interim period, subject to refund.

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FERC Docket: GT00- 9-000

**First Revised Sheet No. 109** First Revised Sheet No. 109 : Effective  
Superseding: Original Sheet No. 109

GENERAL TERMS AND CONDITIONS  
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11.4 Cash-Out of Imbalances

Any imbalance not resolved by the close of business on the twenty-fifth (25th) day of the month following the month in which the imbalance was incurred will be cashed-out according to the schedules set forth in (a) and (b) below. "Spot price" refers to the Spot Index Price as defined in 11.3 above. The imbalance percentage will be determined by dividing the actual imbalance by scheduled quantities for the month.

- a. Receipts in excess of deliveries shall be purchased by VGS from the Customer at the following prices:

Percent by which receipts exceed deliveries	Purchase Price
	Lowest Weekly Spot Index Price
0% but less than 5%	1.0 x spot price
5% but less than 10%	0.9 x spot price
10% but less than 15%	0.8 x spot price
15% but less than 20%	0.7 x spot price
20% or greater	0.6 x spot price

- b. Deliveries in excess of receipts shall be sold by VGS to the Customer at the following prices:

Percent by which deliveries exceed receipts	Sales Price
	Highest Weekly Spot Index Price
0% but less than 5%	1.0 x spot price
5% but less than 10%	1.1 x spot price
10% but less than 15%	1.2 x spot price
15% but less than 20%	1.3 x spot price
20% or greater	1.4 x spot price

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11.5 Reliance on Operational Information

Customers may rely on operational information provided by VGS to adjust their imbalances during a month. Where the calculation of an imbalance using the operational information provided by VGS will result in an imbalance being cashed-out at a tier price more favorable to Customer, VGS will cash-out such imbalance at the more favorable tier.

11.6 Prior Period Adjustments

Any imbalance resulting from a prior period adjustment will first be used to reduce the cash-out quantity for the month in which the imbalance was incurred. Customer may then elect to net the imbalance across Customer's agreements for the month prior to the month in which the adjustment is made. Customer may trade any remaining imbalance with other Customers up until the twenty-fifth day of the month in which Customer was notified of the adjustment. Imbalances not netted or traded will be cashed out at 100% of Spot Index Price for the month in which the imbalance was incurred.

11.7 Imbalance Nominations

For each day on which Customer desires to schedule the delivery of gas to VGS or the receipt of gas from VGS for the resolution of an accrued under- or over-delivery within a month, Customer shall submit to VGS, in a nomination, the daily quantity of gas, expressed in Dths, that it has available for delivery or the quantity of gas Customer desires to receive, in accordance with the nomination procedures set forth in Section 6. Such deliveries and receipts shall be scheduled as operating conditions reasonably permit. The scheduling priority for such nominations shall be the priority of the service agreement on which the imbalance accrued.

*Effective Date: 08/01/1998 Status: Effective*  
*FERC Docket: RP98-281-000*

**First Revised Sheet No. 111** First Revised Sheet No. 111 : Effective  
Superseding: Original Sheet No. 111

## 12. BILLING AND PAYMENT

### 12.1 Billing

VGS will render its bill on or before the ninth (9th) business day of each month for the charges due for transportation service rendered under an executed Service Agreement during the previous month, computed in accordance with the Customer's applicable Rate Schedule. Rendered means postmarked, time-stamped, or delivered to the Designated Site. Invoices will be mathematically accurate and calculated using the net billing rate, rather than the maximum tariff rate and discount amount. Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be invoiced based on scheduled quantities.

VGS will render a written invoice to Customer, unless Customer requests that VGS render an invoice via EDI. Both written and electronic invoices will use the description, charge codes and common codes set forth in the GISB Standards. Transportation invoices will specify all rate components. VGS will provide supporting data, if applicable, at the time it renders invoices. To the extent additional supporting information is requested, such information will be provided within five (5) business days of a request.

Upon request, VGS will provide Customer a Statement of Account, on which it will report outstanding balances by invoices.

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FERC Docket: CP97-533-002

**Original Sheet No. 112** Original Sheet No. 112 : Effective

GENERAL TERMS AND CONDITIONS  
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12.2 Payments to VGS

Customer agrees to make payment to VGS for transportation services or any other charges within ten (10) days from the date the invoice is rendered. Such payment shall include supporting documentation and remittance detail, including identification of invoice number(s) being paid. Unless another suitable method of payment is agreed to by VGS, Customer shall make payment via Federal Reserve wire transfer to the bank designated by VGS. Remittance detail supporting the wire transfer must be mailed, faxed or sent via EDI within twenty-four (24) hours of the wire transfer payment to the address designated in an executed Service Agreement. VGS will apply payments in accordance with the supporting documentation and remittance detail provided by the Customer. Should Customer fail to pay all of the amount of any bill for transportation service or any additional charges hereunder when such amount is due, interest on the unpaid portion shall accrue at an interest rate equal to the current FERC interest rate, as defined in 501(d) of the Commission's regulations, from the date due until the date payment is received by VGS.

If such failure to pay for transportation services or any additional charges continues for thirty (30) days after such payment is due, in addition to any other remedy, VGS may without liability, suspend further delivery of gas until any overdue amount is paid. However, if Customer, in good faith, shall dispute the amount of any such bill or part thereof and shall pay VGS in a timely manner such amounts as it concedes to be correct and at any time thereafter within thirty (30) days of a demand made by VGS, and shall 1) furnish a good and sufficient surety bond, in amount and with sureties satisfactory to VGS, or 2) place such disputed amounts in escrow, both conditioned upon the payment of any amounts ultimately found due upon such bills after final determination, which may be reached either by agreement or judgment of the courts as may be the case, VGS shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond or escrow account.

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FERC Docket: RP01-362-000

**First Revised Sheet No. 113** First Revised Sheet No. 113 : Effective  
Superseding: Original Sheet No. 113

GENERAL TERMS AND CONDITIONS  
(Continued)

In the event Customer, in good faith, shall dispute the amount of any such bill and it is ultimately determined either by agreement or judgment of the courts as may be the case that Customer's bill should be reduced, VGS shall pay interest on the overpaid portion of said bill, such interest accruing from the date payment is received by VGS until the time refunds are made to Customer, at an interest rate equal to the current FERC interest rate as defined above. Unless otherwise specified in an applicable tariff or contract, the effective payment date of an invoice when such due date does not fall upon a Business Day (as defined in GISB Standard 3.2.1) will be the last Business Day following the due date.

12.3 Adjustment of Billing Errors

In the event an error is discovered in the amount billed or in any statement rendered by VGS, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment must be made within six (6) months from the date of such statement. Customer will have not less three (3) months to dispute an adjustment. Adjustments may be made after this time period if all affected parties agree. This time limit will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this provision. In the event that any portion of a statement is in dispute, payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction in the premises.

Prior period adjustments will be reported by production month.

12.4 Fees

Customer shall reimburse VGS for all fees required by the FERC, or any regulatory body, which are attributable to service provided under an executed Service Agreement, including, but not limited to, filing, reporting and application fees.

GENERAL TERMS AND CONDITIONS  
(Continued)

12.5 Credit Worthiness of Customer

VGS shall not be required to perform or to continue transportation or other services under this FERC Gas Tariff or any Service Agreement on behalf of any Customer who is or who has become insolvent or who, at VGS' request, fails within a reasonable period to demonstrate credit worthiness. Upon submission of a Request for Service by the Customer, and then from time to time at VGS' request, Customer shall provide VGS the following information in order for VGS to analyze Customer's credit worthiness: Customer's latest audited financial statements, annual report, Form 10-K, a list of affiliates, three credit references and trade reference ratings and credit bureau reports. For purposes of this FERC Gas Tariff, the insolvency of a Customer shall be evidenced by:

- a. the filing by such Customer, or parent entity thereof, of a voluntary petition in bankruptcy; or
- b. the entry of a decree or order by a court having jurisdiction in the premises adjudging the Customer as bankrupt or insolvent; or
- c. the approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of, or in respect of, the Customer under the Federal Bankruptcy Act or any other applicable federal or state law; or

GENERAL TERMS AND CONDITIONS  
(Continued)

- d. the appointing of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Customer or of any substantial part of the Customer's property; or
- e. the ordering of the liquidation of Customer's affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

12.6 Creditworthiness Standards

VGS will support NAESB Version 1.8 business practices with respect to creditworthiness standards. Specifically, VGS incorporates by reference:

- Standard 0.3.3: Request for Additional Information
- Standard 0.3.4: Acknowledge Requests for Information
- Standard 0.3.5: Respond to Requests for Information
- Standard 0.3.6: Notification of Receipt of Information
- Standard 0.3.7: Designate Representatives to Receive Notices
- Standard 0.3.8: Creditworthiness Re-Evaluation
- Standard 0.3.9: Response to Request for Re-Evaluation
- Standard 0.3.10: Other Forms of Communication

12.7 Credit Appraisal

VGS' credit appraisal procedures involve the establishment of dollar credit limits for each Customer. To the extent that the value of the transportation services provided to a Customer do not exceed the established credit limit, no new credit appraisal will be conducted if an executed Service Agreement is amended or Customer requests new transportation services, provided that the Customer's payment history with VGS has been satisfactory and there is no bona fide basis for questioning a Customer's creditworthiness. If a Customer fails to demonstrate creditworthiness, Customer may obtain transportation service under this FERC Gas Tariff and any Service Agreement by:

- a. prepaying for such service in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service; or

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FERC Docket: CP97-533-002

**Original Sheet No. 116** Original Sheet No. 116 : Effective

GENERAL TERMS AND CONDITIONS  
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- b. providing a standby irrevocable letter of credit in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or pooling service drawn on a bank acceptable to VGS; or
- c. furnishing a good and sufficient security interest in collateral in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service that is satisfactory to VGS; or
- d. providing a guarantee in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service by any firm, corporation, agent, assignee or legal representative who satisfies the credit worthiness criteria of Subsection 12.5.

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**Second Revised Sheet No. 117** Second Revised Sheet No. 117  
Superseding: Substitute First Revised Sheet No. 117

GENERAL TERMS AND CONDITIONS  
(Continued)

13. CAPACITY RELEASE

13.1 Eligibility

Any Shipper with an executed Firm Service Agreement under VGS' Rate Schedule FTS-1 is eligible to release all or part of its capacity to a Replacement Shipper on a permanent or temporary basis, subject to the provisions of this Section 13. A Shipper that has acquired firm capacity under a volumetric rate pursuant to Rate Schedule FTS-2 or VGS' Negotiated Rate provisions is not eligible to release its capacity.

13.2 Types and Conditions of Releases

a. Permanent Release

A Releasing Shipper may release all or part of its firm capacity under a Firm Service Agreement for the entire remaining primary term of the Agreement (Permanent Release). The Replacement Shipper must contract for the Primary Receipt Point(s) and the Delivery Point specifically set forth in a Releasing Shipper's Firm Service Agreement. A Permanent Release operates as an assignment of capacity and, except as provided below with respect to continuing payment obligations, all of the terms and conditions applicable to firm transportation service including the requirements related to credit worthiness must be met by the Replacement Shipper prior to the effective date of the assignment. The Replacement Shipper shall execute a separate Firm Service Agreement for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the maximum rate and for the primary term originally set forth in the Releasing Shipper's Firm Service Agreement with VGS. The Releasing Shipper will remain obligated to pay the difference, if any, between the accepted bid and the applicable rate for the remainder of the existing agreement term. Permanent releases with a remaining term of one year or less, if the release is to take effect on or before one (1) year from the date on which VGS is notified of the release, may be in excess of the maximum tariff rate. The rate for all other Permanent Releases with a remaining term of one year or less, and for a Permanent Release with a term greater than one (1) year is capped at the maximum tariff rate.

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**Second Revised Sheet No. 118** Second Revised Sheet No. 118  
Superseding: Substitute First Revised Sheet No. 118

GENERAL TERMS AND CONDITIONS  
(Continued)

b. Temporary Release

A Releasing Shipper may temporarily release all or part of its firm capacity for a specified term without a right of recall. The minimum term for any Temporary Release is one (1) Day. A Replacement Shipper who is awarded firm capacity pursuant to a Temporary Release shall execute a Confirmation Letter pursuant to the Form of Service Agreement for Firm Transportation Service. Such Confirmation Letter will be for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper, up to the maximum rate and for the term bid by the Replacement Shipper. For Temporary Releases with terms of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which VGS is notified of the release, bids may be in excess of the maximum tariff rate. All other Temporary Releases with terms of one (1) year or less, and Temporary Releases with terms greater than one (1) year are capped at the maximum tariff rate.

c. Temporary Release - Subject to Recall

A Releasing Shipper may temporarily release all or part of its firm capacity subject to recall by the Releasing Shipper upon the occurrence of the condition(s) specified in the Releasing Shipper's Offer to Release Capacity. The minimum term for any Temporary Release subject to recall will be one (1) Day. A Replacement Shipper who is awarded capacity pursuant to a Temporary Release subject to recall shall execute a Confirmation Letter pursuant to the Form of Service Agreement for Firm Transportation Service. Such Confirmation Letter will be for the released capacity, subject to the right of recall, at the rate bid by the replacement shipper, and for the term bid by the Replacement Shipper.

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FERC Docket: RP05-430-000

**Fourth Revised Sheet No. 119** Fourth Revised Sheet No. 119 : Effective  
Superseding: Substitute Third Revised Sheet No. 119

GENERAL TERMS AND CONDITIONS  
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(1) Recall Rights

A Releasing Shipper must define at the time of the release the condition(s) under which the released firm capacity will be recalled. Such recall condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shipper's Firm Service Agreement or with the provisions of this FERC Gas Tariff. The recall conditions specified by the Releasing Shipper must involve identifiable events. A Releasing Shipper may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-day 1 and Intra-day 2 Nomination cycles by providing notice to VGS and affected Replacement Shippers (by a mode mutually agreeable to the parties) on the day that nominations are due by the following times for each cycle: 8 a.m. Central Clock Time (CCT) on the day that nominations are due for the Timely Nomination cycle; 3 p.m. CCT (early evening recall notification) or 5 p.m. CCT (evening recall notification) on the day that nominations are due for the Evening Nomination cycle; 7 a.m. CCT on the day that nominations are due for the Intra-day 1 Nomination cycle; and 2:30 p.m. CCT on the day that nominations are due for the Intra-day 2 Nomination cycle. For the recall notification provided to VGS, the quantity shall be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Pro Rata Capacity. Notification to Replacement Shippers will be provided by VGS within one hour of receipt of recall notification. Service flexibility available to either the Releasing Shipper or the Replacement Shipper(s) for the subject capacity shall not be less as a result of the recall. VGS has the right to rely on Releasing Shipper's notice and Releasing Shipper shall defend and indemnify VGS against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its Offer to Release Capacity.

(2) Reversion to Replacement Shipper

VGS will support the function of reputting by Releasing Shippers, as set forth below.

The reput method and rights must be specified at the time of the release, and should be negotiated between the Releasing Shipper and Replacement Shipper. If the Releasing Shipper has recalled capacity in accordance with its recall rights and time remains in the term of the release, the capacity may revert to the Replacement Shipper upon notice by the Releasing Shipper to VGS by 8:00 a.m. Central Clock Time on the Day prior to the Day on which the capacity is to revert to the Replacement Shipper, and the proper nomination of the released capacity by the Replacement Shipper in accordance with Section 6 of these General Terms and Conditions. When capacity is recalled, it may not be reput for the same gas day.

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**Second Revised Sheet No. 120** Second Revised Sheet No. 120  
Superseding: Substitute First Revised Sheet No. 120

GENERAL TERMS AND CONDITIONS  
(Continued)

d. Secondary Release of Firm Capacity

Following execution of a Confirmation Letter pursuant to the Form of Service Agreement for Firm Transportation Service, for firm capacity released in accordance with this Section 13, a Replacement Shipper may subsequently release the capacity it has acquired in accordance with the terms of this Section 13, thereby becoming a Secondary Releasing Shipper; provided, however, a Secondary Release is not permitted for capacity acquired under a volumetric rate. A Secondary Release of capacity cannot operate to release greater capacity rights than the capacity acquired by the Secondary Releasing Shipper. To the extent that a Secondary Releasing Shipper acquired firm capacity is subject to recall in accordance with Subsection 12.2(c), the capacity then released by the Secondary Releasing Shipper, and any subsequent Secondary Release of the capacity thereafter, shall also be subject to the same right of recall. A Replacement Shipper who is awarded firm capacity under a Secondary Release shall be required to execute a Confirmation Letter for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the maximum rate and for the term bid by the Replacement Shipper. A Secondary Release for one (1) year or less, if the release is to take effect on or before one (1) year from the date on which VGS is notified of the release, may be at a rate in excess of the maximum tariff rate. All other Secondary Releases with terms of one (1) year or less, and Secondary Releases with terms greater than one (1) year are capped at the maximum tariff rate.

13.3 Term of Release

The minimum term for any release, whether permanent, temporary, temporary subject to recall, or secondary is one (1) day. The maximum term for any release shall be the remaining primary term in the Releasing Shipper's Firm Service Agreement.

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*FERC Docket: CP97-533-002*

**Original Sheet No. 121** Original Sheet No. 121 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

13.4 Timetable for Release Events

The Capacity Release Timetable is applicable to all parties in the capacity release process provided that 1) all information provided by the parties is valid and 2) the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered. All times are Central Clock Time.

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**Substitute Fourth Revised Sheet No. 122** Substitute Fourth Revised Sheet No. 122 : Effective  
Superseding: Fourth Revised Sheet No. 122

GENERAL TERMS AND CONDITIONS  
(Continued)

- a. Offers to Release Capacity for less than One Year:
  1. For biddable releases (less than one year):
    - Offers should be tendered by 12:00 P.M. on a Business Day;
    - open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
    - evaluation period ends and award posted if no match required at 2:00 P.M.;
    - match or award is communicated by 2:00 P.M.;
    - match response by 2:30 P.M.;
    - where match required, award posting by 3:00 P.M.;
    - a Confirmation Letter (for a Temporary Release) or an FTS-1 Service Agreement (with a new contract number, when applicable, for a Permanent Release with a remaining term less than one year) will be tendered to the Replacement Shipper within one hour of posting;
    - Shipper will be eligible to nominate beginning at the next available nomination cycle for the effective date of the contract under Section 6 of these General Terms and Conditions; Shipper will be required to return an executed Confirmation Letter or FTS-1 Service Agreement prior to gas flow.

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FERC Docket: RP03-475-001

**Substitute First Revised Sheet No. 122A** Substitute First Revised Sheet No. 122A : Effective  
Superseding: First Revised Sheet No. 122A

GENERAL TERMS AND CONDITIONS  
(Continued)

2. For pre-arranged, non-biddable releases, the following schedule shall be effective:

Timely Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 10:30 a.m.;
- contract issued within one hour of award posting (with a new contract number, when applicable) nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Evening Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 5:00 p.m.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Intra-Day 1 Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Intra-Day 2 Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

For all nomination cycles, Replacement Shippers must return an executed Confirmation letter or FTS-1 Service Agreement prior to gas flow.

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FERC Docket: RP03-475-001

**Substitute Fourth Revised Sheet No. 123** Substitute Fourth Revised Sheet No. 123 : Effective  
Superseding: Fourth Revised Sheet No. 123

GENERAL TERMS AND CONDITIONS  
(Continued)

- b. Offers to Release Capacity for Greater than One Year:
  - 1. For biddable releases (one year or more):
    - Offers should be tendered by 12:00 P.M. four Business Days before award;
    - open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three (3) Business Days);
    - evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
    - evaluation period ends and award posted if no match required at 2:00 P.M.;
    - match or award is communicated by 2:00 P.M.;
    - match response by 2:30 P.M.;
    - where match required, award posting by 3:00 P.M.;
    - a Confirmation Letter (for a Temporary Release) or an FTS-1 Service Agreement (with a new contract number, when applicable, for a Permanent Release) will be tendered to the Replacement Shipper within one hour of posting;
    - Shipper will be eligible to nominate beginning at the next available nomination cycle for the effective date of the contract under Section 6 of these General Terms and Conditions; Shipper will be required to return an executed Confirmation Letter or FTS-1 Service Agreement prior to gas flow.

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FERC Docket: RP03-475-001

**Substitute First Revised Sheet No. 123A** Substitute First Revised Sheet No. 123A : Effective  
Superseding: First Revised Sheet No. 123A

GENERAL TERMS AND CONDITIONS  
(Continued)

2. For pre-arranged, non-biddable releases, the following schedule shall be effective:

Timely Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 10:30 a.m.;
- contract issued within one hour of award posting (with a new contract number, when applicable) nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Evening Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 5:00 p.m.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Intra-Day 1 Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

Intra-Day 2 Nomination Cycle:

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

For all nomination cycles, Replacement Shippers must return an executed Confirmation letter or FTS-1 Service Agreement prior to gas flow.

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Superseding: Original Sheet No. 124

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- c. For releases of 31 days or less, if the Releasing Shipper identifies a Prearranged Replacement Shipper, and the Prearranged Replacement Shipper agrees to pay the applicable maximum rate and agrees to comply with all the conditions of the release, the notice and bidding procedures of this section shall not apply and VGS will offer the capacity to the Prearranged Replacement Shipper, subject to the time line set forth in Subsection 13.4(a) and (b). If the Prearranged Replacement Shipper has not agreed to pay the applicable Maximum Rate and if the best bid(s) exceed(s) the bid agreed upon by the Prearranged Replacement Shipper, the Prearranged Replacement Shipper must notify VGS that it wishes to take the released capacity and that it will match the bid, subject to the time line set forth in Subsection 13.4(a) and (b). If the Prearranged Replacement Shipper provides such timely notice, VGS shall tender a Confirmation Letter pursuant to the Form of Service Agreement for Firm Transportation Service. If the Prearranged Replacement Shipper does not provide such timely notice, VGS will offer the capacity to the bidder(s) who submitted the best bid(s). The Prearranged Replacement Shipper must confirm the prearranged deal via fax or EDI.

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13.5 Offer to Release Capacity

Offers to Release Capacity must be submitted in accordance with the schedules set forth in Subsection 13.4. Such offers must be 1) in writing (faxes are acceptable) and on the release form provided by VGS (hereinafter called Releasing Shipper's Offer), 2) posted on VGS' Internet Home Page or 3) uploaded via EDI.

Offers to release capacity are binding until written or electronic notice of withdrawal is received by VGS. A Releasing Shipper may withdraw an offer to release capacity at any time prior to the receipt by VGS of a bid for the capacity that meets the Releasing Shipper's minimum bid specifications and where unanticipated circumstances justify.

VGS shall collect all Offers to Release Capacity, review such offers for completeness and accuracy, and assign an Offer Number to each offer. VGS will post completed Offers to Release Capacity, including the rate applicable to the capacity, the date and time by which bids must be submitted in accordance with the capacity release timetable, and the specific terms and conditions of the release, on VGS' Internet Home Page upon receipt of the Offer to Release Capacity, unless the Release Shipper requests otherwise, and specifies a posting time that comports with the standard time line. All offers will remain on VGS' Internet Home Page for the bid period specified by the Releasing Shipper, but not less than one (1) hour.

Any Shipper offering to release all or part of its firm capacity under an executed Firm Service Agreement shall provide the following information:

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GENERAL TERMS AND CONDITIONS  
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- a. The Releasing Shipper's Name and Firm Service Agreement Number;
- b. The type of release permanent, temporary, temporary subject to recall and any objectively stated recall/reput criteria;
- c. The reservation quantity offered for the release and the minimum acceptable bid quantity;
- d. The Primary Receipt Points and the Primary Delivery Point;
- e. The term of the release and the minimum acceptable bid term;
- f. The prearranged bidder's name, address, contact person, telephone number, fax number and agreement number, if applicable;
- g. The reservation rate and the minimum acceptable rate on a reservation rate basis or a volumetric basis imputed on a 100 percent load factor basis, including any minimum volumetric commitment, and whether bids will be accepted on a rate or percentage basis;

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FERC Docket: RP09-357-000

**First Revised Sheet No. 127** First Revised Sheet No. 127  
Superseding: Original Sheet No. 127

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- h. Whether the release is to an asset manager as defined in 18 C.F.R. 284.8(h)(3), and if so, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper; and whether the release is to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. 284.8(h)(4);
- i. The best bid evaluation methodology (highest rate, net revenue, or present value) and tie breaker, if different from VGS' methodology. If the Releasing Shipper elects to accept volumetric bids, the Releasing Shipper must also specify the method to rank competing volumetric bids, volumetric bids with a minimum volumetric commitment and reservation rate bids;
- j. The acceptable terms of contingent bids, if permitted, the deadline for eliminating the contingency before capacity is awarded to the next best bidder, and the method for evaluating contingent bids;
- k. Special terms or conditions of release; and
- l. Minimum posting and bid period, if longer than VGS'.

The information required in an offer to release capacity must be posted on VGS' Internet Home Page, submitted via EDI or submitted in writing in the following form:

VENICE GATHERING SYSTEM, L.L.C.  
OFFER TO RELEASE FIRM CAPACITY

1. Releasing Shipper's Name: \_\_\_\_\_

2. Releasing Shipper's Firm Service Agreement Number:  
\_\_\_\_\_

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GENERAL TERMS AND CONDITIONS  
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3. Type of Release:

- Permanent
- Temporary
- Temporary Subject to Recall

4. If Release is subject to recall, provide criteria for recall:

Specific Dates: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Specific Events: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. If recalled capacity is subject to reput, provide criteria for reput:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Reservation Quantity Offered for Release:

\_\_\_\_\_ Dth/d

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7. Minimum Acceptable Release Quantity:

\_\_\_\_\_ Dth/d

8. Primary Receipt Point(s):

Maximum Daily  
Reservation  
Quantity/Dth

_____	_____
_____	_____
_____	_____
_____	_____

9. Primary Delivery Point:

Maximum Daily  
Reservation  
Quantity/Dth

_____	_____
-------	-------

10. Release Term:

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

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

11. Minimum Acceptable Release Term:

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

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

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**First Revised Sheet No. 130** First Revised Sheet No. 130  
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(Continued)

12. Minimum Rate for acceptable bid:

Reservation Rate \$ \_\_\_\_\_/Dth

or

Volumetric Rate \$ \_\_\_\_\_/Dth

Minimum Volumetric Commitment \_\_\_\_\_/Dth

13. Is this a Prearranged Release? \_\_\_\_\_ Yes \_\_\_\_\_ No

Prearranged Bidder's Name \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Agreement Number (if applicable) \_\_\_\_\_

14. Is this Release to an Asset Manager? \_\_\_ Yes \_\_\_ No  
If yes, asset manager's obligation to deliver gas to, or  
purchase gas from, Releasing Shipper:

15. Is this Release to a marketer participating in a state-  
regulated retail access program: \_\_\_ Yes \_\_\_ No

16. Best Bid Methodology: (Choose One)

Highest Rate: \_\_\_\_\_

Net Revenue: \_\_\_\_\_

Present Value: \_\_\_\_\_

17. Tie Breaker Criteria:

\_\_\_\_\_  
\_\_\_\_\_

18. Acceptable Terms of Contingent Bids:

\_\_\_\_\_  
\_\_\_\_\_

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**First Revised Sheet No. 131** First Revised Sheet No. 131  
Superseding: Original Sheet No. 131

GENERAL TERMS AND CONDITIONS  
(Continued)

19. Contingent Bid Deadline:

\_\_\_\_\_  
\_\_\_\_\_

20. Other Special Terms or Conditions of Release:

\_\_\_\_\_  
\_\_\_\_\_

21. Authorized Signature of Releasing Shipper:

\_\_\_\_\_

Name: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

For VGS Use: Offer Number: \_\_\_\_\_

Date Received: \_\_\_\_\_ Time Received: \_\_\_\_\_

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**Second Revised Sheet No. 132** Second Revised Sheet No. 132  
Superseding: Substitute First Revised Sheet No. 132

GENERAL TERMS AND CONDITIONS  
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13.6 Submittal of Bids

During the open season and bid submittal periods, all valid bids (excluding bidder's name) will be posted upon receipt. All bids will be binding until written or electronic notice of withdrawal is received by VGS. A bid may be withdrawn prior to the close of the bidding period, but the withdrawing bidder may not rebid on the same capacity at a lower rate. There will be no extensions of the original bid period or the prearranged deal match period. There is no restriction on the number of decimal places that may be included in a bid.

Bids on released capacity for a period of one (1) year or less, if the release date is to take effect on or before one (1) year from the date on which VGS is notified of the release, may be in excess of the Maximum Rate. All other bids on released capacity for a period of one (1) year or less, or bids on released capacity for a period of greater than one (1) year are capped at the Maximum Rate.

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**Second Revised Sheet No. 133** Second Revised Sheet No. 133  
Superseding: Substitute First Revised Sheet No. 133

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(Continued)

Prior to bidding on any Offer to Release Capacity, a bidder must prequalify by satisfying the creditworthiness requirements in Subsection 12.5 and executing a Form of Service Agreement for Firm Transportation Service. VGS shall date and time stamp all bids as they are received. VGS will post the relevant terms of all bids, other than the name of the bidder, upon receipt. A separate bid is required for each separate Releasing Shipper's Offer. The price bid on any Offer to Release Capacity must be consistent with the form requested by the Releasing Shipper, and may be submitted on a reservation rate or percentage basis or on a volumetric basis calculated at the 100% load factor derivative of the Maximum Reservation Rate, and may contain a minimum volumetric commitment. Releases of capacity for one (1) year or less, if the release is to take effect on or before one(1) year from the date on which VGS is notified of the release, may be in excess of the maximum tariff rate. All other releases with terms of one (1) year or less or releases with terms greater than one (1) year are capped at the maximum tariff rate. Any volumetric bids should only relate to the reservation rate, since the usage rate used to determine the usage charges and any other volumetric charges will be billed by VGS directly to the Replacement Shipper and will not be considered in the determination of the best bid. All bids on Temporary Releases of capacity must be for the specified Receipt and Delivery Points set forth in the Releasing Shipper's offer. Any Prequalified bidder submitting a bid for all or part of any released capacity shall provide the following information:

- a. Bidder's name, address, phone number, fax number, and contact person;
- b. The offer under which the capacity is available;
- c. The requested Primary Receipt Point(s) and the Primary Delivery Point and the quantity (in Dth per day) for each point;

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**Second Revised Sheet No. 134** Second Revised Sheet No. 134  
Superseding: Substitute First Revised Sheet No. 134

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- d. The rate or percentage bid on a reservation charge basis. If the Releasing Shipper has allowed a volumetric release, the bid may be converted into a volumetric charge. The maximum rate for volumetric releases may be in excess of the maximum tariff rate if the term of the release is for one (1) year or less, if the release is to take effect on or before one (1) year from the date on which VGS is notified of the release. For all other releases with a term of one (1) year or less and for releases greater than one (1) year, the maximum rate is the 100% load factor derivative of the Maximum Reservation Rate. The bid may include a minimum volume commitment, if requested by the Releasing Shipper.
- e. Any other conditions necessary to meet the terms of the Releasing Shipper's Offer;
- f. The minimum amount of prorated capacity that the bidder will accept, if prorationing is necessary.

Written bids should be submitted on the following form:

VENICE GATHERING SYSTEM, L.L.C.  
BID FOR RELEASED FIRM CAPACITY

- 1. Bidder's Name: \_\_\_\_\_
- 2. Bidder's Prequalification Number: \_\_\_\_\_
- 3. Are You a Prearranged Bidder?  Yes  No
- 4. Bid for Offer Number: \_\_\_\_\_
- 5. Releasing Shipper's Firm Service Agreement Number:  
\_\_\_\_\_

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**Original Sheet No. 135** Original Sheet No. 135 : Effective

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6. Acceptance of Release Term:

\_\_\_\_\_ Full Term as Offered

\_\_\_\_\_ Other Term

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

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

7. Reservation Quantity Bid Upon: (check and fill out one)

\_\_\_\_\_ Full Reservation Quantity of \_\_\_\_\_ Dth/d  
as Offered

\_\_\_\_\_ Other Reservation Quantity of \_\_\_\_\_ Dth/d

8. Primary Receipt Point(s):

Maximum Daily  
Reservation  
Quantity/Dth

_____	_____
_____	_____
_____	_____
_____	_____

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**Original Sheet No. 136** Original Sheet No. 136 : Effective

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9. Primary Delivery Point: \_\_\_\_\_  
Maximum Daily  
Reservation  
Quantity/Dth

10. Reservation Rate Bid:  
Reservation Rate \$ \_\_\_\_\_/Dth  
or  
Reservation Rate Percentage \_\_\_\_\_ %  
or  
Volumetric Rate \$ \_\_\_\_\_/Dth

Maximum Volumetric Rate to be calculated on the basis  
of the 100% load factor derivative of the Maximum  
Reservation Rate.

Minimum Volumetric Commitment \_\_\_\_\_ Dth/Month

11. Contingent Bid and Conditions:  
\_\_\_\_\_  
\_\_\_\_\_

12. Minimum acceptable award quantity \_\_\_\_\_ Dth/Day

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**Original Sheet No. 137** Original Sheet No. 137 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

13. Other Special Terms or Conditions of Bid:

\_\_\_\_\_  
\_\_\_\_\_

Authorized Signature of Bidding Shipper:

\_\_\_\_\_  
Name: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_

For VGS Use: Bid Number: \_\_\_\_\_

Date Received: \_\_\_\_\_ Time Received: \_\_\_\_\_

13.7 Determination of Best Bid

At the close of the bid period, VGS will review each bid to determine whether a bid will be deemed eligible for consideration as the best bid. Any bid deemed ineligible shall be eliminated from consideration. Bids will be deemed ineligible if:

- a. Bidder has not prequalified in accordance with Subsection 13.12.
- b. Bidder has not submitted its bid prior to the deadline posted by VGS on its Internet Home Page.

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**First Revised Sheet No. 138** First Revised Sheet No. 138 : Effective  
Superseding: Original Sheet No. 138

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- c. The Bid for Released Capacity does not meet the minimum criteria established in the Releasing Shipper's Offer.

As specified in the Releasing Shipper's Offer, the best bid will be determined using one of the following methods: highest rate, net revenue, or present value. If the Releasing Shipper elects to accept volumetric bids or volumetric bids with a minimum volumetric commitment, the Releasing Shipper must have also specified the method to rank competing volumetric and reservation charge bids.

VGS will evaluate and rank all bids and will award bids, best bids first, until all offered capacity is awarded. Each bid shall be subject to the rights of a Prearranged Bidder to match the bid in accordance with Subsection 13.9.

If there is a tie for the best bid, and there is no Prearranged Replacement Shipper who has agreed to match the best bid, the bid will be determined by means of a lottery, with all capacity being allocated to the winner(s), unless the Offer to Release Capacity specifies a different tie breaker.

13.8 Award of Capacity and Posting of Bids

Upon determination and acceptance of the best bid(s), the winning Replacement Shipper(s) will be notified in writing and electronically by VGS. VGS will post notice on VGS' Internet Home Page that the capacity has been awarded. The notice will include the Replacement Shipper's name(s) and the price, reservation quantity and term of the best bid. A Confirmation Letter incorporating the terms of the accepted bid shall be tendered to the Replacement Shipper(s) by VGS within one hour of awarding capacity, and executed by the Replacement Shipper(s).

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

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If no bids are submitted by the bid deadline, the Releasing Shipper's Offer will be removed from VGS' Internet Home Page.

13.9 Prearranged Releases

a. Prearranged Releases Not Subject to Bidding

(1) Thirty-one Days or Less

A Releasing Shipper may release its firm capacity to a Prearranged Replacement Shipper for a term of 31 days or less without prior posting or bidding for the released capacity. The Releasing Shipper and its Prearranged Replacement Shipper shall notify VGS of the terms of the prearranged release. VGS will post on its Internet Home Page an announcement of the release in accordance with the time line specified in Subsection 13.4. The Prearranged Replacement Shipper must comply with the prequalification requirements applicable to the bid process and the creditworthiness requirements of this Section 13. The Prearranged Replacement Shipper shall also execute a Confirmation Letter for the released capacity at the rate and for the term specified in the aforementioned notice to VGS. Once the term of the release hereunder has expired, the Releasing Shipper cannot rollover or extend the release period, or re-release its capacity to the same Replacement Shipper under this provision until twenty-eight (28) days or more have elapsed since the termination of the prior release. However, the Releasing Shipper may release the capacity to the same Replacement Shipper if the capacity is posted for bidding under the provisions of Subsection 13.9(b) or the Releasing Shipper may release the capacity to an asset manager under an AMA or to a marketer under a state-regulated retail access program, as defined in 18 C.F.R. 284.8.

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

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(2) Maximum Rate

A Releasing Shipper may arrange for its own Replacement Shipper and avoid posting and bidding if the Replacement Shipper is bidding on capacity for a term of greater than one (1) year or for a term of one (1) year or less, if the release is to take effect more than one (1) year from the date on which VGS is notified of the release, and the release is at the maximum rate allowed. The Prearranged Replacement Shipper must meet all of the requirements established for bidders pursuant to this Section 13. Pre-arranged Releases longer than 31 days but less than one (1) year must be posted for bidding regardless of the rate agreed to by the Replacement Shipper. When the Prearranged Replacement Shipper is bidding on capacity with a term greater than one (1) year or for a term of one (1) year or less, if the release is to take effect more than one (1) year from the date on which VGS is notified of the release, and agrees to the maximum reservation charge applicable for the full released quantity and term offered by the Releasing Shipper, and the Prearranged Replacement Shipper satisfies all of the requirements of this Section 13, the Prearranged Bid will be deemed the best bid, and a Confirmation Letter must be executed in accordance with this Section 13 and the terms of VGS' FERC Gas Tariff. VGS shall thereafter post on its Internet Home Page the identity of the Prearranged Replacement Shipper, and the terms upon which the capacity was released.

(3) AMAs and Marketers under State-Regulated Plans

A Releasing Shipper may avoid posting and bidding requirements for a release to:

- (i) an asset manager under and AMA, pursuant to 18 C.F.R. 284.8(h); or
- (ii) a marketer participating in a state-regulated retail access program, pursuant to 18 C.F.R. 284.8(h).

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**Third Revised Sheet No. 141** Third Revised Sheet No. 141  
Superseding: Second Revised Sheet No. 141

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b. Prearranged Releases Subject to Bidding

If the Prearranged Replacement Shipper for a release with a term of more than one (1) year, or with a term of one (1) year or less, if the release is to take effect more than one (1) year from the date on which VGS is notified of the release, has not agreed to pay the maximum rate, and to the term and release quantities, the Offer to Release Capacity will be posted in accordance with Section 13. Releases for one (1) year or less, if the release is to take effect on or before one (1) year from the date on which VGS is notified of the release, may be at more than the maximum tariff rate, but must still be posted. If VGS does not receive a better bid by the bid deadline, the Prearranged Bid shall be deemed the best bid, and a Confirmation Letter must be executed by the Prearranged Replacement Shipper in accordance with this Section 13 and the terms of VGS' FERC Gas Tariff. If VGS receives a better bid by the bid deadline, the Prearranged Replacement Shipper shall have the right to match the terms of the better bid according to the time line specified in Subsection 13.4. If the Prearranged Replacement Shipper matches the better bid, the capacity shall be awarded to the Prearranged Replacement Shipper and a Confirmation Letter must be executed by the Prearranged Replacement Shipper. If the Prearranged Replacement Shipper fails to match the best bid, the capacity will be awarded to the party(ies) making the best bid in accordance with the terms specified in Subsection 13.7.

13.10 Segmenting and Flexible Point Rights

a. For services under Rate Schedule FTS-1, a Releasing Shipper may segment its capacity; provided, however, a Releasing Shipper that segments its capacity may not release and/or use overlapping segments of capacity if the effect of such release or overlap is to increase capacity along a Shipper's transportation path in excess of its MDRQ. A Replacement Shipper that purchases only a segment of capacity may not use its capacity in a way that would result in such Replacement Shipper using rights outside the path of the segment of capacity it has purchased. A Replacement Shipper may designate primary points consistent with contract demand and subject to available capacity.

b. An FTS-1 Shipper holding a discount at a point will be entitled to retain a discount rate if it chooses to segment, release capacity or use its flexible receipt and delivery point rights to move gas to another point at which VGS has extended discounts, provided that the segmented or secondary point transaction is similarly situated to the transactions receiving the discount at the secondary point. Requests to retain discounts under this section will be processed within two hours following submission of the request.

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**Original Sheet No. 142** Original Sheet No. 142 : Effective

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13.11 Crediting of Revenue for Temporary Releases

The Replacement Shipper shall pay a Reservation Rate and a Usage Rate for use of the released capacity. A Replacement Shipper will be billed by VGS and shall make payments to VGS in accordance with the terms of the Form of Service Agreement for Firm Transportation Service and the applicable Confirmation Letter. For capacity releases other than a permanent release, VGS shall bill the Releasing Shipper its reservation charge reflecting a credit of the reservation charge billed to the Replacement Shipper. The Releasing Shipper will receive credit for all revenue generated by a temporary Replacement Shipper's payment of reservation charges for the released capacity. In the event the Releasing Shipper receives transportation service at a discounted rate that is less than the rate paid by the Replacement Shipper, the Releasing Shipper, at its option, will be entitled to receive an additional credit or a refund of the difference. Notwithstanding the above, the Releasing Shipper shall remain liable for the reservation charge and VGS will bill the Releasing Shipper for any reservation charges not paid by the Replacement Shipper and any associated interest on late payments during the next billing cycle. The Replacement Shipper shall be obligated to pay VGS the Usage Rate negotiated between the Releasing Shipper and Replacement Shipper, all associated volumetric surcharges applicable to the quantities VGS transports under the Replacement Shipper's Firm Service Agreement, and any penalties assessed in connection with the Replacement Shipper's use of the released capacity. VGS will retain the minimum Usage Rate, associated volumetric surcharges, and any penalty revenues.

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**Original Sheet No. 143** Original Sheet No. 143 : Effective

GENERAL TERMS AND CONDITIONS  
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13.12 Prequalification of Credit Worthiness

All parties desiring to bid on firm capacity offered by a Releasing Shipper and all Prearranged Replacement Shippers must meet VGS' credit worthiness requirements and be prequalified before bidding on any Offer To Release Capacity. All parties desiring to bid on firm capacity offered by a Releasing Shipper shall submit to VGS at least five (5) business days prior to the date on which bids for the firm capacity are to be received, credit information sufficient for VGS to determine the party's credit worthiness, unless VGS agrees it has already determined the bidder to be credit worthy or to have suitable credit on file with VGS. A bidder's credit worthiness shall be assessed in accordance with the terms of Subsection 12.5 of the General Terms and Conditions. A party that does not qualify as a credit worthy bidder is ineligible to bid on capacity. After VGS has determined a bidder credit worthy and eligible to bid, VGS will issue a Bidder Prequalification Number to the bidder. Once a bidder is issued a Bidder Prequalification Number it is not necessary for that bidder to resubmit credit information for prequalification, except as requested by VGS from time to time.

In the case of releases not subject to bidding, the Prearranged Replacement Shipper must prequalify at least five (5) business days prior to VGS' nomination deadline for transportation using the released capacity. In all other respects, the terms and conditions applicable to bidders also apply to the Prearranged Replacement Shippers who have not otherwise complied with the above requirements.

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**First Revised Sheet No. 144** First Revised Sheet No. 144 : Effective  
Superseding: Original Sheet No. 144

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13.13 Responsibilities of Releasing Shippers

The Releasing Shipper shall remain fully liable under its existing Firm Service Agreement with VGS for the payment of all reservation charges each month for the full contract quantity, whether or not such quantity has been released. A Shipper may release all or part of its firm capacity on a permanent or temporary basis. The Releasing Shipper will remain obligated to pay the difference, if any, between the accepted bid and the applicable rate for the remainder of the existing agreement term. A Releasing Shipper shall be responsible for notifying, or causing to be notified, its Replacement Shipper prior to exercising recall rights, as specified in Section 13.2(c) (1).

13.14 Responsibilities of Replacement Shippers

A Replacement Shipper awarded capacity under a permanent release shall execute a separate Firm Service Agreement with VGS for the released capacity at the rate bid by the Replacement Shipper and accepted by the Releasing Shipper up to the Maximum Rate, if applicable, and for the primary term originally set forth in the Releasing Shipper's Agreement with VGS. A Replacement Shipper who is awarded firm capacity pursuant to a Temporary Release shall execute a Confirmation Letter for the released capacity at the rate and for the term bid by the Replacement Shipper. A Replacement Shipper who is awarded firm capacity under a Temporary Release Subject To Recall shall execute a Confirmation Letter for the released capacity, subject to the right of recall, at the rate and for the term bid by the Replacement Shipper.

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**First Revised Sheet No. 145** First Revised Sheet No. 145 : Effective  
Superseding: Original Sheet No. 145

GENERAL TERMS AND CONDITIONS  
(Continued)

13.15 Marketing Fees

VGS may negotiate with a Releasing Shipper and receive a mutually agreeable fee for taking action to market Releasing Shipper's firm capacity so long as such actions constitute more than merely posting the Releasing Shipper's Offer. VGS and the Releasing Shipper will negotiate the level of activity to be undertaken by VGS to market the capacity and the fee to be paid by the Releasing Shipper to VGS for such activity.

13.16 Offers to Purchase Firm Capacity

VGS agrees to post on VGS' Internet Home Page offers to purchase firm capacity. Each offer will remain on VGS' Internet Home Page for five (5) business days before it is removed, unless the party offering to purchase capacity notifies VGS prior to the expiration of any five-day period that it wishes to extend the posting for an additional five (5) business days or to remove the posting before the expiration of the five (5) business days.

13.17 Notification Requirement

VGS will provide the original releasing shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by VGS to the releasing shipper's replacement shipper(s), of the following:

- (1) Notice to the replacement shipper regarding the replacement shipper's past due, deficiency, or default status pursuant to VGS' tariff;
- (2) Notice to the replacement shipper regarding the replacement shipper's suspension of service notice;
- (3) Notice to the replacement shipper regarding the replacement shipper's contract termination notice due to default or credit-related issues; and
- (4) Notice to the replacement shipper that the replacement shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to VGS' tariff.

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*FERC Docket: CP97-533-002*

**Original Sheet No. 146** Original Sheet No. 146 : Effective

RESERVED SHEETS

Original Sheet Nos. 146 through 149 have been reserved.

GENERAL TERMS AND CONDITIONS  
(Continued)

14. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL  
PROCEDURES

14.1 Applicability

Any Shipper receiving firm transportation service under an executed Firm Service Agreement that has a primary term of one (1) year or more, and that does not have an evergreen provision, may exercise its right of first refusal in order to retain firm transportation service at the expiration of the primary term. Any Shipper receiving firm transportation under a Firm Service Agreement that has a primary term of one (1) year or more, and that has an evergreen provision, may exercise its right of first refusal in order to retain continued firm transportation in the event that VGS provides notice, as allowed by such Service Agreement, that it will terminate the Service Agreement at the expiration of the primary term or any roll-over term.

Any Shipper receiving transportation service provided under an Interruptible Service Agreement, or a Firm Service Agreement that has a primary term of less than one (1) year, and that may or may not have an evergreen provision, does not have the right of first refusal to retain its interruptible or firm transportation service at the expiration of a primary term or any subsequent roll-over term.

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**Original Sheet No. 151** Original Sheet No. 151 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

14.2 Posting of Capacity

At least thirty (30) days prior to the effective termination date of a Firm Service Agreement with a primary term of one (1) year or more, whether such date is specified in the Service Agreement or VGS' notice of termination as allowed by such Firm Service Agreement, VGS shall post on its Internet Home Page the capacity that will be available upon the termination of a Shipper's Firm Service Agreement and whether such capacity is subject to an existing Shipper's right of first refusal. The capacity will be posted for not less than five (5) business days.

The posting will include the Primary Receipt Point(s) and the Delivery Point, the available Maximum Daily Reservation Quantity and the Maximum Daily Quantity for each Primary Point, the termination date of the firm agreement, and the applicable maximum rate.

14.3 Bidding On Capacity

Upon posting of Available Capacity, VGS shall receive bids in writing from eligible bidders who have executed a Form of Service Agreement for Firm Transportation Service. Bids must be submitted on VGS' "Bid for Released Firm Capacity" form or on VGS' Internet Home Page as prescribed in Section 13 of this FERC Gas Tariff, and must be received by VGS no later than 2:00 p.m. Central Clock Time on the day prior to the bid deadline date. VGS will post the relevant terms of all eligible bids, other than the bidder's name, upon receipt of each bid received by VGS. VGS will determine the best bid in accordance with the Capacity Release provisions set forth in Section 13 of the General Terms and Conditions.

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**Substitute First Revised Sheet No. 152** Substitute First Revised Sheet No. 152 : Effective  
Superseding: Original Sheet No. 152

GENERAL TERMS AND CONDITIONS  
(Continued)

14.4 Right of First Refusal

For Firm Service Agreements made effective on or after March 27, 2000, the right of first refusal is only applicable to contracts that have a term of one year or greater that are at the maximum tariff rate. Firm Service Agreements executed prior to March 27, 2000 that have a term of one year or greater will include a right of first refusal even if they are at a discount from the maximum tariff rate.

If the right of first refusal applies, VGS will notify an existing Shipper of the best bid, if any, received that VGS is willing to accept. Shipper must provide VGS written notification, which may be transmitted by fax or other similar electronic means, that it intends to exercise its right of first refusal. Shipper shall have a specified time, but not less than five (5) business days, within which Shipper must match the best bid. In order to match the best bid, Shipper must agree to pay a rate up to the maximum rate, for an agreement term, not to exceed five (5) years, that will provide VGS at least the same net present value. If Shipper matches the best bid, VGS and Shipper will enter into a new Firm Service Agreement, or modify the existing Service Agreement, reflecting the terms of the best bid. If Shipper fails to match the best bid within the time allowed by VGS, Shipper's existing Firm Service Agreement will be abandoned upon the termination of the Firm Service Agreement and VGS will enter into a new Firm Service Agreement with the Shipper(s) offering the best acceptable bid. The highest rate that Shipper must match through the bidding process if it wishes to continue such service is the Maximum Rate.

14.5 Negotiated Rate

Shippers requesting service at a Negotiated Rate that exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of determining the economic value of request(s) for service rights.

GENERAL TERMS AND CONDITIONS  
(Continued)

14.6 Acceptable Bids

In the event VGS does not receive any bids for Shipper's capacity or any bids that are acceptable to VGS, Shipper shall have the right to retain its firm capacity at the maximum rate applicable thereto, or any negotiated discount agreed to by VGS, for an additional term as requested by Shipper. If Shipper refuses to renew its existing Firm Service Agreement at the maximum rate, absent an agreement by VGS to discount, such Service Agreement shall be subject to abandonment upon its termination.

14.7 Abandonment

VGS shall be relieved of its transportation service obligations for any Interruptible Service Agreement and for any Firm Service Agreement with a primary term of less than one (1) year, regardless of any subsequent roll-over term provided by an evergreen provision, upon the expiration or termination of such Service Agreement. VGS shall be relieved of its transportation service obligations for any Firm Service Agreement with a primary term of one (1) year or more upon the expiration of such Service Agreement, provided that Shipper gives notice to terminate its Firm Service Agreement pursuant to the provisions contained therein, or Shipper fails to match the best bid under its right of first refusal option as described in Subsection 14.4, or Shipper fails to submit a bid acceptable to VGS.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 154 Original Sheet No. 154 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

15. GAS QUALITY

15.1 Specifications

Unless otherwise specified in an executed Service Agreement, all gas received by VGS from Customer shall conform to the following quality specifications:

- a. Heating Value. The gas shall have a heating value of not less than one thousand twenty Btus per standard cubic foot (1020 Btus/Scf), unless the contract was dated prior to August 19, 1997, in which case the heating value shall not be less than nine hundred seventy Btus per standard cubic foot (970 Btus/Scf).
- b. Water Vapor. The gas shall not contain free water.
- c. Inerts and Oxygen. The gas shall not contain more than four percent (4%) by volume of total inerts or two-tenths of one percent (0.2%) by volume of oxygen.
- d. Carbon Dioxide and Nitrogen. The gas shall not contain more than three percent (3%) by volume of carbon dioxide or two percent (2%) by volume of nitrogen.
- e. Hydrogen Sulfide. The gas shall not contain more than one-quarter grain of hydrogen sulfide per one hundred standard cubic feet (1/4 gr/100 Scf).
- f. Mercaptans. The gas shall not contain more than one-quarter grain of mercaptans per one hundred standard cubic feet (1/4 gr/100 Scf).

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Original Sheet No. 155 Original Sheet No. 155 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

- g. Total Sulfur. The gas shall not contain more than ten grains of total sulfur per one hundred standard cubic feet (10 grs/100 Scf).
- h. Dust, Gums and Solid Matter. The gas shall be commercially free from dust, gums, gum-forming constituents, and other solid matter.
- i. Liquid Hydrocarbons. The gas shall be free of hydrocarbons in liquid form at the temperature and pressure at which the gas is received; provided, however, Shipper may inject Condensate and pay VGS a fee to transport as specified in subsection 15.4 below.
- j. Liquid Water. The gas shall be free of water in liquid form at the temperature and pressure at which the gas is received.
- k. Temperature. The gas shall not have a temperature of less than forty degrees Fahrenheit (40°F) or more than one hundred twenty degrees Fahrenheit (120°F).

GENERAL TERMS AND CONDITIONS  
(Continued)

15.2 Refusal to Accept

If, at any time, gas tendered to VGS shall fail to substantially conform to any of the applicable quality specifications and VGS notifies the Customer of such deficiency, and such deficiency is not corrected within a reasonable period of time, VGS may, at its option, refuse to accept delivery pending correction of the deficiency by Customer or it may continue to accept delivery and, at Customer's expense, make such changes necessary to cause the gas to conform to such specifications; provided, however, that VGS may at any time refuse to accept delivery of gas that it considers to be unsafe or hazardous or to impair the operation or use of its facilities. Failure by Customer to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Transportation Service Agreement.

VGS shall have the right to waive any of the quality specifications contained in this Section 15 on a non-discriminatory basis if waiver of such specification(s) does not impair system operations.

15.3 Commingling

Gas received from each Shipper will be commingled with the gas of other Shippers in the system. Accordingly, the gas of Shipper shall be subject to such changes in heating value and other specifications as may result from such commingling; provided, however, VGS is a "wet" system and gas may not be processed prior to delivery to VGS.

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FERC Docket: CP97-533-002

**Original Sheet No. 157** Original Sheet No. 157 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

15.4 Condensate Handling and Drip Liquids

VGS agrees that Shipper may inject Condensate into VGS' system for transportation along with Shipper's Gas. If Shipper elects to do so, Shipper shall pay VGS a per barrel fee of up to \$1.05 per barrel of injected Condensate for gathering and redelivery. To the extent recoverable, any Condensate that is injected shall be recovered at onshore separation facilities. The actual quantities recovered shall be delivered to Shipper or Shipper's designee by the operator of the separation facilities. In addition, VGS shall deliver to Shipper or Shipper's designee any Drip Liquids recovered from the VGS system and attributable to Shipper's Gas.

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**Original Sheet No. 158** Original Sheet No. 158 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

16. MEASUREMENT

16.1 Measuring Party

Unless otherwise agreed between the parties, VGS shall be the "Measuring Party" of the measurement facilities.

16.2 Procedures

Computations of gas volumes from measurement data shall be made according to the latest revision of ANSI/API 2530 Chapter 14.3 (American Gas Association ("AGA") Report No. 3, parts 1-4), Natural Gas Fluid Measurement, Concentric, Square-Edged, Orifice Meters and the latest revision of AGA Report No. 8, Compressibility for Natural Gas and Other Hydrocarbon Gases.

16.3 Unit of Volumetric Measurement

The unit of volume for all purposes hereunder shall be one standard cubic foot (1 Scf) as defined in Subsection 1.45 of the General Terms and Conditions. The unit of measurement for the receipt and delivery of natural gas hereunder shall be one dekatherm (Dth). The number of Dths delivered shall be determined by multiplying the number of SCF (at the pressure and temperature base specified in Section 16.5) of gas delivered by the total heating value of such gas in BTUs (as defined in GPA 2172) per cubic foot and dividing the result by one million.

GENERAL TERMS AND CONDITIONS  
(Continued)

Adjustments to measured gas volumes for the effects of supercompressibility shall be made according to accepted AGA standards. Measuring Party shall obtain representative relative density, gas compositions, carbon dioxide and nitrogen mole fraction values, from the gas samples obtained under Section 16.6, for the gas delivered or received as may be required to compute such adjustments according to standard testing procedures. Equations for the calculation of supercompressibility will be taken from the latest revision of AGA Report No. 8, Compressibility for Natural Gas and Other Hydrocarbon Gases. Each Month, the supercompressibility will be calculated using the latest gas analysis.

16.4 Pressure and Temperature Assumptions

(a) Assumed Atmospheric Pressure: An assumed atmospheric pressure of fourteen and seven tenths (14.7) psia for the Receipt and Delivery Point(s) shall be used for measurement and calculation purposes, irrespective of any variation of the actual atmospheric pressure from the assumed atmospheric pressure.

(b) Pressure and Temperature Base: The pressure base shall be 14.73 psia, and the temperature base shall be 60 degrees Fahrenheit.

GENERAL TERMS AND CONDITIONS  
(Continued)

16.5 Temperature and Pressure Measurement

- a. Temperature Measurement: The temperature of the gas shall be determined by mechanical or electronic means, at VGS' sole option (provided that any new receipt points connected after May 15, 1997 shall be electronic), so installed that it properly records the temperature of the gas flowing through the meters to the nearest one degree Fahrenheit. The average temperature recorded during the twenty-four (24) hour period from the recording thermometer shall be deemed to be the gas temperature for that day.
  
- b. Pressure Measurement: Mechanical or Electronic recorders, at VGS' sole option (provided that any new receipt points connected after May 15, 1997 shall be electronic), shall be used and shall record the pressure with an accuracy of 0.2% of full scale or better. The average pressure recorded during the twenty-four (24) hour period from the pressure recording device shall be deemed to be the pressure for that day.

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**Second Revised Sheet No. 161** Second Revised Sheet No. 161  
Superseding: First Revised Sheet No. 161

GENERAL TERMS AND CONDITIONS  
(Continued)

16.6 Gas Sampling

- a. Spot or Continuous Sampling: At VGS' option, spot sampling or continuous sampling may be used. Sampling procedures will be according to the latest revision of API Chapter 14.1 and GPA 2166. Gas compositions will be determined by gas chromatography according to the latest revisions of GPA standards 2261 and 2286.
- b. Sampling Frequency: Spot samples will be taken and analyzed at least Monthly. Continuous samples will be taken and analyzed Monthly. The gas samples will be analyzed by using gas chromatography, or by other mutually acceptable methods to calculate the relative density, supercompressibility, and gross heating value as required in Sections 16.2, 16.7 and 16.8 respectively. Wherever any governmental agency requires more frequent sampling than described above, Measuring Party and Shipper agree to comply with the more frequent sampling schedule.
- c. Sampling Location: Spot and continuous samples shall be taken in accordance with the latest revision of API Chapter 14.1.
- d. Informational Posting: VGS will provide on its website a monthly posting of gas quality information representative of the mainline gas flow of the system. See Section 16.6.b. The informational posting will be consistent with Principle 4.1.40 and Standards 4.3.90 through 4.3.93 of NAESB Version 1.8 and Recommendation R03035A.

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**Original Sheet No. 162** Original Sheet No. 162 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

16.7 Relative Density

Gas samples obtained per Section 16.6 shall be analyzed for the determination of the relative density of the gas delivered hereunder. The result shall be obtained to the nearest one-thousandth (0.001) and shall be applied during the applicable period for the determination of gas volumes delivered. At Measuring Party's option, relative density may be obtained using an in-line continuous gravitometer; in such case the in-line gravitometer shall be accurate to within 0.25% of full scale.

Each Month, the relative density will be calculated using the latest gas analysis.

16.8 Gross Heating Value

Samples obtained under the terms of Section 16.6 shall have the Gross Heating Value calculated from a gas analysis according to the latest revision of GPA 2172. All spot and continuous samples shall be retained for a minimum period of thirty (30) days for verification in the event of a disagreement. The Gross Heating Value of the C6+ components of the natural gas shall be determined at least quarterly.

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**First Revised Sheet No. 163** First Revised Sheet No. 163 : Effective  
Superseding: Original Sheet No. 163

GENERAL TERMS AND CONDITIONS  
(Continued)

16.9 Other Tests

Other tests to determine water content, sulfur, and other impurities in the gas shall be conducted by the Measuring Party as necessary and shall be conducted according to standard industry testing procedures. Shipper may request additional test(s) during normal business hours upon reasonable notification, and Measuring Party shall perform such test(s). Shipper shall bear the cost of such test(s) in the event the additional test result(s) yield a Monthly MMBTU value within 2.0% of the original test MMBTU value; otherwise Measuring Party shall bear the cost of such test(s).

16.10 Reporting

The reporting basis for Btu on the VGS System will be 14.73 dry psia and 60 degrees F (101.325 KPa and 15 degrees C and dry). The reporting basis for Gigacalorie on the VGS System will be 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. The reporting basis for gas volumes on the VGS System will be cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and pressure base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

GENERAL TERMS AND CONDITIONS  
(Continued)

16.11 Prior Period Adjustments

The cutoff for the closing of measurement is five (5) Business Days after the business month, with adjustments after this day treated as a prior period adjustment. Prior period measurement adjustments will be taken back to the production month, and provided as a restated line item with a new total quantity for the day and the month. Missing or late measurement data will be estimated by the measuring party, with the actual data then treated as a prior period adjustment. Measurement data upstream of aggregated points will be sent to the allocating party and used to allocate the aggregated volumes back to the upstream parties.

Measurement data corrections will be processed within six (6) months of the production month, with a three (3) month rebuttal period. Adjustments may be made after this time period if all affected parties agree. This time limitation will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this provision.

16.12 Acceptance of Measurement Standards

Customers taking service under this tariff accept the measurement standards and procedures set forth herein. Customers assume the risk of utilization and reliance on such measurement standards and procedures for purposes other than transportation.

GENERAL TERMS AND CONDITIONS  
(Continued)

17. METERING AND PIPELINE FACILITIES

17.1 Metering Facilities

Upon agreement with VGS, either VGS or an interconnecting Operator may install, own, maintain and operate metering facilities properly equipped with orifice meters and other necessary measuring equipment required to measure the quantities of gas received into VGS' System or delivered from VGS' System. Such metering facilities shall be located at or near the Receipt or Delivery Point(s).

17.2 Check Meters

Either VGS or the interconnecting Operator may install, maintain, and operate, at its sole cost and expense, check metering equipment; provided however, that such equipment shall be installed in manner that will not interfere with the operation of Measuring Party's measuring equipment.

17.3 Access to Metering Facilities

Either VGS or the interconnecting Operator shall, at all reasonable times, have access to the other party's metering and regulating facilities for inspection and checking, but the reading, calibration and adjustment thereof shall be done only by the operator of such metering and regulating facilities.

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**Original Sheet No. 166** Original Sheet No. 166 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

17.4 Calibration and Testing

Measuring Party shall verify the accuracy, adjust and calibrate all recording devices used in the measurement of the receipt of gas hereunder on at least a monthly basis. Measuring Party shall not be required to, but may elect to, adjust or calibrate such equipment more frequently than specified above unless Shipper desires a Special Test be performed as described in Section 17.7 below. Wherever any lease agreement or any governmental agency requires more frequent calibration than described above, Measuring Party and Shipper agree to comply with the more frequent calibration schedule.

17.5 Notice

Measuring Party shall give reasonable notice to Shipper in order that Shipper may have representatives present to observe any installing, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting of Measuring Party's measuring equipment used in measuring or checking the measurement of receipts or deliveries of gas under this tariff. The official charts (recordings) from such measuring equipment shall remain the property of Measuring Party, but upon request Measuring Party will submit its records and charts, together with calculations therefrom, to Shipper for inspection and verification, subject to return to Measuring Party within thirty (30) Days after receipt thereof.

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Original Sheet No. 167 Original Sheet No. 167 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

17.6 Correction of Metering Errors

- a. Error Correction, >1.0%: If during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of one percent (1.0%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), and the total measurement adjustment during a Month is greater than 500 MMBTU, then any previous recording of such equipment shall be corrected to zero (0) error for any period which the error existed (and which is either known definitely or agreed to by both parties) and the total flow for the period redetermined in accordance with the provisions of Section 17.11 below. If the period of error cannot be determined or agreed upon between the parties, such correction shall be made over a period extending over the last one-half (1/2) of the time elapsed since the date of the last correct test.

GENERAL TERMS AND CONDITIONS  
(Continued)

- b. Error Correction, < 1.0%: If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed the one percent (1.0%) limit as described in part (a) of this Section, or if the total measurement adjustment during a Month is less than 500 MMBTU, all prior recording shall be considered to be accurate for quantity determination purposes. Any measuring equipment found to be measuring inaccurately in any percentage shall be adjusted at once to read accurately.

17.7 Special Test

In the event Shipper desires a Special Test (a test not scheduled by Measuring Party under the provisions of Section 17.4 above) of any measuring equipment, reasonable advance notice, in writing, shall be given to Measuring Party and both parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the measuring equipment falls within the accuracy provisions of Section 17.6 above, and if the measurement equipment meets all appropriate specifications of Section 17.8, Shipper shall bear the cost of such Special Test. If the measuring equipment does not fall within the accuracy provisions of Section 17.6 above, or if the measurement equipment does not meet all appropriate specifications of Section 17.8, Measuring Party shall bear the cost of such Special Test, and Measuring Party shall also bear the costs to promptly repair or replace the defective equipment.

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FERC Docket: CP97-533-002

**Original Sheet No. 169** Original Sheet No. 169 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

17.8 Orifice Meters

Orifice meters shall be installed and gas quantities measured, in accordance with the standards prescribed in American National Standard Institute (ANSI)/American Petroleum Institute (API) 2530 Chapter 14.3 (AGA Report No. 3, Parts 1-4), Natural Gas Fluid Measurement, Concentric, Square-Edged, Orifice Meters at the time the meters are installed.

17.9 Electronic Flow Computers and Telemetry  
Equipment

It is recognized that electronic flow computers or other types of flow computers have been developed that permit direct computation of gas quantities without the use of charts. For Receipt Points installed prior to May 15, 1997, and where the substitution of these devices is deemed acceptable by mutual agreement between VGS and the interconnecting Operator, in exercise of their reasonable judgment, the use of electronic flow computers for custody transfer will be permitted. Electronic equipment and flow computers shall be installed and used at each new Receipt Point installed after May 15, 1997, subject to the provisions of Section 17.15.

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FERC Docket: CP97-533-002

**Original Sheet No. 170** Original Sheet No. 170 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

- a. Usage and Calculations: Gas will have its volume, mass and/or energy content determined and computed according to the applicable AGA Standards including, but not limited to, the latest revisions of AGA Report No(s). 3, 5, 6, 7, and 8. The parties agree to accept the use of electronic devices and calculations instead of mechanical devices and chart integration. Electronic gas measurement shall be made according to the latest revision of API Chapter 21.1: Flow Measurement Using Electronic Metering Systems-Electronic Gas Measurement.
- b. For Receipt Points installed prior to May 15, 1997, Shipper shall have the right, at its sole expense, to install, or have installed mutually agreeable electronic equipment and flow computers at any existing Receipt Point. Under these circumstances, Measuring Party will maintain and operate such electronic equipment and flow computers, but Shipper will own such electronic equipment and flow computers.
- c. VGS shall have the right, but not the obligation, to install telemetry at any Receipt Point. If VGS decides to install such equipment, VGS shall install, own, operate and maintain such equipment.

GENERAL TERMS AND CONDITIONS  
(Continued)

17.10 New Measurement Techniques

If at any time a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted by mutual agreement between VGS and the interconnecting Operator.

17.11 Failure of Metering Equipment

If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair and the total calculated hourly flow rate through each meter run is found to be in error by an amount of the magnitude described in Section 17.6 above, the total quantity of gas delivered shall be redetermined according to the first of the following methods that is feasible:

- a. by using the registration of any check metering facility, if installed and accurately registering (subject to testing as described in Section 17.4 above);
- b. by correcting the error by re-reading of the official records, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation);
- c. by using the registration of telemetry equipment connected to VGS' or Operator's metering facilities, if installed and accurately registering;

GENERAL TERMS AND CONDITIONS  
(Continued)

- d. by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

17.12 Preservation of Measurement Records

Upon request of either VGS or the Operator, each party will submit to the other party records and charts from its measuring equipment, together with calculations therefrom, for the other party's inspection and verification and copying, if desired, subject to return within thirty (30) days after the receipt thereof. VGS, however, shall only be required for the purposes hereof, to retain the charts and records referred to herein for a period of two (2) year from the date of the charts and preparation of said records.

17.13 Right of Inspections

Measuring Party or Shipper shall have the right to inspect measurement equipment installed or furnished by the other or third parties and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration and adjustment of such equipment and collection of data shall be done by Measuring Party, unless agreed to otherwise by the parties.

17.14 Properties and Facilities

VGS shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the transportation of gas.

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FERC Docket: CP97-533-002

Original Sheet No. 173 Original Sheet No. 173 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

17.15 Installation, Ownership, Operation and  
Maintenance of Metering Facilities at Receipt  
Points

VGS shall not be required to construct any facilities in order to render service hereunder. Unless otherwise agreed, VGS, at its election, will construct, install, own, maintain and operate lateral pipelines and metering facilities properly equipped with orifice meters and other necessary measuring equipment required to measure the quantities of gas received into VGS' System or delivered from VGS' System. The metering and regulating facilities are to be installed at a location that, in VGS' reasonable judgment, is practical, convenient and readily accessible. The Operator/Shipper shall provide the exhibits necessary to support any needed FERC proceedings or permits required by any other governmental agency. Unless otherwise agreed, VGS may require the Operator/Shipper to contribute an aid-to-construction amount to VGS up to the cost of the facilities, including all costs involved in the filing of applications, pursuing approvals and obtaining all licenses and permits required for transportation services or construction, and further, amounts necessary to reimburse any costs, including any income taxes that may be incurred by VGS as a result of the aid-to-construction contribution. Shippers, whether new or existing, shall bear all costs and expenses attributable to the construction or acquisition of any lateral pipelines or expansions of existing lateral pipelines or measurement facilities.

The installation, ownership, operation and maintenance of the Metering Facilities at the Receipt Points shall be subject to the following:

GENERAL TERMS AND CONDITIONS  
(Continued)

- a. Installation Agreement: Prior to VGS' determination as to whether Measuring Party or Shipper will be responsible for installing the Metering Facilities, Measuring Party shall provide Shipper with (1) a sample of the contract that Measuring Party uses when it provides Meter Installation; (2) a sample of the contract that Measuring Party uses when Shipper or Shipper's contractor provides Meter Installation; (3) a copy of all specifications, standards, and procedures that Measuring Party, in the event Shipper installs the Metering Facilities, will require Shipper or Shipper's contractor to follow in performing Meter Installation; (4) a statement of the estimated total price Measuring Party will charge Shipper if Measuring Party provides Meter Installation, with a detailed statement of the costs of services and materials that compose the total price; and (5) a statement of the estimated total price Measuring Party will charge Shipper for construction of the Tap and inspection of the Meter Installation if Shipper provides for Meter Installation itself, with a detailed statement of the costs of services and materials that compose the total price.
- b. Ownership: All facilities paid for by Shipper shall be owned by Shipper. All facilities paid for by Measuring Party shall be owned by the Measuring Party.

GENERAL TERMS AND CONDITIONS  
(Continued)

- c. Operation: All facilities shall be operated by the Measuring Party.
- d. Maintenance: All facilities shall be maintained by the Measuring Party.
- e. Miscellaneous: Shipper agrees to furnish, or cause to be furnished, at no cost to Measuring Party, sites, together with the rights of ingress and egress, at the Receipt Point(s) suitable for Measuring Party's facilities. All facilities placed by Measuring Party on or under the property of Shipper shall be deemed to be the personal property of Measuring Party (subject to Section 17.17.15c), whether or not affixed to the realty, and shall at all times be subject to the absolute control and disposition of Measuring Party. Shipper shall be solely responsible for and shall bear the full costs of getting the gas to the Receipt Point(s) for transportation under this Agreement.
- f. Facility Upgrades: Shipper shall have the option at any time under the provisions of this Section 17.15 to upgrade measurement facilities, at its sole expense, to comply with the latest AGA standards. All facilities paid for by Shipper shall be owned by Shipper, but operated and maintained by Measuring Party.

GENERAL TERMS AND CONDITIONS  
(Continued)

- g. Prior to gas flow, VGS will agree with the welded party on who submits a predetermined allocation methodology and who allocates at a point. VGS may require that the Operator of any newly constructed facility execute an OBA suitable to VGS prior to the commencement of construction.

17.16 Alterations and Repairs

VGS shall have the right to interrupt the transportation of gas when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, its System, or otherwise related to the operation thereof. VGS shall endeavor to cause a minimum of inconvenience and, except in the cases of emergency, shall give advance notice of its intention to interrupt the transportation of gas and of the expected magnitude of such interruptions.

17.17 Quality Control and Electronic Communication Equipment

VGS shall have the right to collect from the interconnecting Operator/Shipper its cost of any gas analysis, quality control and/or electronic communication equipment that VGS, in its reasonable discretion, determines is required at any Receipt Point(s) to monitor the quality and quantity of gas received by VGS.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 177** Original Sheet No. 177 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

17.18 Installation of Flow Control Equipment

VGS may construct, install, and operate flow control equipment, telemetry equipment or electronic flow computers at any location on its System whenever VGS determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient and orderly operational integrity of its System.

17.19 Regulatory Precedence

Nothing in Section 16 or 17 shall require VGS to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. VGS reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the FERC instituted under Section 7 of the Natural Gas Act. VGS reserves the right to change its rates or any of the provisions of its General Terms and Conditions at its discretion, subject to receiving the necessary approvals, either through a Section 4 Rate filing or other appropriate means.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-430-000

**Third Revised Sheet No. 178** Third Revised Sheet No. 178 : Effective  
Superseding: Second Revised Sheet No. 178

GENERAL TERMS AND CONDITIONS  
(Continued)

18. COMPLIANCE WITH NAESB STANDARDS

VGS will comply with all NAESB Standards adopted by the Commission, including but not limited to the following:

Standard 0.3.1: Entity common codes should be "legal entities", that is, Ultimate Location, Headquarters Location, and/or Single Location (in Dun & Bradstreet Corporation ("D&B") terms). However, in the following situations, a Branch Location (in D&B terms) can also be an entity common code:

1. when the contracting party provides a D-U-N-S Number at the Branch Location level; or
2. to accommodate accounting for an entity that is identified at the Branch Location level.

Standard 0.3.2: Parties should mutually agree to use VGS' proprietary entity code when the D-U-N-S Number is not available.

Principle 1.1.4: VGS will not require pre-nominations.

Principle 1.1.7: VGS will neither require nor support activity codes.

Standard 1.3.27: The key will be composed of: service requester (Service Agreement), transaction type, upstream party, upstream contract (when applicable), receipt location (as applicable), downstream party, (as applicable) downstream contract (when applicable), delivery location (as applicable), package ID, upstream package ID (where mutually agreed), downstream package ID (where mutually agreed), and capacity type indicator (where mutually agreed). Upon receipt by VGS from a Customer of a transaction whose key elements match those previously received by VGS from the Customer, VGS will process the begin date/time and end date/time as an original nomination and then process the rest of transaction's data elements consistent with the applicable standards to determine the business results. When data is not supplied (e.g., is not applicable, is not supported or is not mutually agreed upon) the pertinent portion of the key will be null.

Standard 3.3.11: Information provided with (sales and transportation) invoices will be consistent with information previously provided by the billing party, as updated for changes for settlement.

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FERC Docket: RP02-417-000

**Third Revised Sheet No. 179** Third Revised Sheet No. 179 : Effective  
Superseding: Second Revised Sheet No. 179

GENERAL TERMS AND CONDITIONS  
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Standard 5.3.22: For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times the number of days in the rate period, dividing the result by the number of months in the rate period; taking the remainder out to 5 decimal places, and rounding up or down to VGS' specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of months in the rate period; dividing the result by the number of days in the rate period; taking the remainder out to 5 decimal places, and rounding up or down to VGS' specified decimal place.

Standard 5.3.25: A releasing shipper may not specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

Standard 5.3.30: The Upload to Pipeline of Prearranged Deal (UPPD) bidder confirmation and validation process will support the association of a replacement capacity contract with another contract for balancing or related purposes. The support for this process between parties will be on a mutually agreeable basis.

Standard 5.3.31: VGS will accept and process uploads of capacity release offers from releasing shipper(s), provided the offer is received by VGS at its designated site by 11:45 AM Central Clock Time on a Business Day. Such received offer, if determined to be valid, should be posted as an Offer and should be available for bidding by 12:00 PM Central Clock Time (the normal posted-by deadline and start of bidding time) on that Business Day or the Releasing Shipper's specified Business Day (if later than the received Business Day).

Standard 5.3.32: VGS will accept and process uploads of capacity release bids from potential shipper(s), provided that the bid is time-stamped as leaving control of the bidder no later than 1:00 PM of the applicable deadline day and is received by VGS at its designated site by 1:15 PM. Such timely bid, if determined to be valid, should be evaluated by VGS for the purpose of identifying the winning bidder associated with the Offer upon which the bid was made.

Standard 5.3.33: When VGS receives an upload of an offer or a bid in association with a deadline, VGS will process such offer or bid (as applicable) and post valid offers or bids (as applicable) for review within fifteen minutes; and, in the event such document is not valid, respond with the applicable validation document to the applicable submitting party within fifteen minutes. When VGS receives an upload of an offer or a bid not in association with a deadline, VGS will process and post for review valid offer(s) or bid(s) (as applicable) that are received prior to one quarter hour period by the end of the next succeeding quarter hour period; and, in the event such document is not valid, respond with the applicable validation document to the applicable submitting party by the end of the next succeeding quarter hour period. The quarter hour periods are on the hour, fifteen minutes after, thirty minutes after and forty-five minutes after an hour.

VGS will keep any delays of its nightly processing and maintenance of validation documents occurring outside its business hours to a minimum. The normal schedule will be resumed at the earliest opportunity and no later than the start of the next Business Day.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 180** Original Sheet No. 180 : Effective

RESERVED SHEETS

Original Sheet Nos. 180 through 184 have been reserved.

Effective Date: 09/01/2005 Status: Effective  
FERC Docket: RP05-430-003

**Substitute Third Revised Sheet No. 185** Substitute Third Revised Sheet No. 185 : Effective  
Superseding: Third Revised Sheet No. 185  
GENERAL TERMS AND CONDITIONS  
(Continued)

19. INTERNET: WORLD WIDE WEB ACCESS

19.1 VGS will send and receive data accepting a TCP/IP connection for use by all parties. VGS has designated the following internet address as a Designated Site for the receipt and delivery of NAESB WGQ standardized data sets, as well as all other communications: Internet Home Page URL Address: <http://www.venicegathering.com>; and Internet EDI URL Address: <http://edi.venicegathering.com>. Parties sending and receiving data to/from VGS should designate an Internet address as a designated site for receipt and delivery of NAESB WGQ data sets. VGS will send and receive data using an HTTP protocol supported by NAESB. A standard network protocol (TCP/IP) will be in service for direct connect to VGS' Designated Site. VGS has established an HTML page(s) accessible via the Internet's World Wide Web (Internet Home Page). Except for brief periods for unavoidable maintenance or upgrades, VGS will make information available via the public Internet in HTML or RTF format. VGS' Internet Home Page will be available 24 hours a day, seven days a week, on a non-discriminatory basis.

*Effective Date: 08/01/1998 Status: Effective*

*FERC Docket: RP98-281-000*

**First Revised Sheet No. 186** First Revised Sheet No. 186 : Effective  
Superseding: Original Sheet No. 186

19.2 VGS' Internet Home Page provides on-line help,

19.3 Internet Users may utilize VGS' Internet Home

*Effective Date: 11/01/2009 Status: Effective*  
*FERC Docket: RP09-742-000*

**Fifth Revised Sheet No. 187** Fifth Revised Sheet No. 187  
Superseding: Fourth Revised Sheet No. 187

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19.4 In accordance with NAESB Version 1.8, Standard 4.3.16 and 4.3.23,<sup>/1</sup> VGS will make the following materials available on its website in HTML or RTF format: Notices (critical notices, operation notices, system wide notices, etc); Operationally available and unsubscribed capacity; and VGS' FERC tariff. VGS' Index of Customers will be displayed in HTML or RTF format and downloadable in a defined, tab-delimited ASCII text file, with provisions for title information and footnote capability, as set forth in the Code of Federal Regulations, Part 284, Section 223 (Reference Order No. 637, Docket No. RM98-10-000, issued February 9, 2000, "Appendix A, Instruction Manual for Electronic Filing of the Index of Customers").

<sup>/1</sup> VGS does not conduct transportation transactions with any marketing affiliate, thus it is not subject to the posting requirements of Order 717, Standards of Conduct for Transmission Providers, 125 FERC ¶61,064 (2008).

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 188 Original Sheet No. 188 : Effective

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19.5 Internet User assumes sole responsibility for all use of VGS' Internet Home Page and the files of and the information displayed on or through VGS' Internet Home Page and hereby indemnifies and holds VGS harmless against any liability or claim of any person that is attributable to improper use by such Internet User of VGS' Internet Home Page and the files of and the information displayed on or through VGS' Internet Home Page. Except for the negligence, bad faith, fraud or willful misconduct of VGS, VGS shall have no responsibility to Internet User or any third party for faulty retrieval, failure of retrieval, or loss of research, and in no event will VGS be liable to Internet User for actual, consequential, exemplary, or special damages resulting, in whole or in part, from Internet User's use of VGS' Internet Home Page and the files of and the information displayed on or through VGS' Internet Home Page. VGS assumes no liability whatsoever for information accessed via links from VGS' Internet Home Page or Web Site to sites or pages maintained by other than VGS.

If the Internet User requests and receives assistance from VGS' employees, such assistance will be at the Internet User's risk and VGS will have no responsibility or liability arising therefrom, except for the negligence, bad faith, fraud, or willful misconduct of VGS.

19.6 The only charges associated with the use of VGS' Internet Home Page shall be the customary telephone user charges, and any charges incurred by the Internet User for access to the Internet World Wide Web.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 19.7 Data will be made available to all requesters in an accepted standard format comparable both in time and delivery mechanism. Data will be made available so as to permit the users of the information to download the data to be used in their applications. VGS will communicate with third party vendors according to GISE Standards. Electronic communications between parties to the transaction will be accomplished on a nondiscriminatory basis, whether through an agent or directly with any party to the transaction.
- 19.8 VGS will post clear and precise business processing rules on its Internet Home Page, or provide such rules in writing, upon request.
- 19.9 Omitted.
- 19.10 On time stamping, data leaves control of the originator by the same time (deadline), regardless of the mechanism (3rd party service provider time stamp is acceptable). Originating Parties will be permitted (fifteen) 15 minutes communication time from the time data leaves the control of the originator to allow accumulation of all transactions to the pipeline. A standard network protocol (TCP/IP) is available for direct connect to the pipeline designated site. Within the 15-minute window, the transaction should be received by the receiving party. The Originating Party is any system originating/creating the document reflecting the transaction to be submitted (this could also include a third-party service provider or VGS' Internet Home Page). Errors in transmission shall be governed by the terms and conditions of the Trading Partner Agreement between the parties. VGS may waive the 15-minute window requirement at its own discretion, on a nondiscriminatory basis.

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FERC Docket: RP01-362-000

**First Revised Sheet No. 190** First Revised Sheet No. 190 : Effective  
Superseding: Original Sheet No. 190

GENERAL TERMS AND CONDITIONS  
(Continued)

- 19.11 For GISB EDI/EDM and FF/EDM, there is a time stamp (HTTP Time-stamp) that designates the time that a file is received at VGS' Designated Site. VGS will generate a time-stamp upon successful receipt of the complete file and send an immediate response to the sending party. The time-stamp will be generated by Common Gateway Interface (CGI) of VGS, prior to further processing by the CGI. The time-stamp will be included in the HTTP response back to the sender of the original HTTP transaction. VGS will synchronize its clock that generates the time-stamp with the National Institute of Standards and Technology (NIST) time.
- 19.12 The HTTP response will be sent to the sending Internet Protocol (IP) address. Other response documents will be returned to the Official Designated Site defined in the Trading Partner Agreement.
- 19.13 In order to conduct transactions via EDI, Customer must enter into a Trading Partner Agreement. The Form of Agreement for the Trading Partner Agreement will be the GISB Model Trading Partner Agreement, as modified from time to time, and incorporated herein by reference. At a minimum, within a Trading Partner Agreement, one designated site will be identified by a specific Uniform Resource Locator (URL). This does not preclude multiple designated sites being mutually agreed to between trading partners.
- 19.14 The sender of data should make three attempts to complete a unit of work. After three failed attempts, it should be considered a failure.

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FERC Docket: RP03-475-000

**First Revised Sheet No. 191** First Revised Sheet No. 191 : Effective  
Superseding: Original Sheet No. 191

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19.15 The roles of sender and receiver are defined in following table. The entire table defines a unit of work. (A unit of work consists of one complete HTTP transaction as defined the technical specifications of the HTTP protocol (Internet Engineering Task Force RFC 1945). The roles of sender and receiver are also defined in that document.)

Client (Sender)	Server (Receiver)	CGI (Receiver)
	Listen for Connect	
Connect	Accept Connection	
Write	Read	Start of Receipt
Write	Read	
EOF (send)	Read	End of Receipt
Read (HTTP response) Received	Write (HTTP response)	
EOF (HTTP response)		

19.16 VGS will implement all security features (secure authentication, integrity, privacy, and non-repudiation) using a file-based approach via a commercially available implementation of PGP 2.6 or greater (or compatible with PGP 2.6). VGS will implement basic authentication. Encryption keys will be self-certified and the means of exchange will be specified in the Trading Partner Agreement. Encryption keys will have a limited lifetime whose duration is determined by the key's owner. A key's end of life is expressed in the expiration date field contained in each public key. A lifetime of one year or less is recommended.

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FERC Docket: RP09-742-000

**Eighth Revised Sheet No. 192** Eighth Revised Sheet No. 192

Superseding: Seventh Revised Sheet No. 192

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(Continued)

19.17 North American Energy Standards Board ("NAESB") - VGS incorporates by reference the following NAESB Standards (Version 1.8):

General Standards:

0.1.1-3  
0.2.1-3  
0.3.1-6, 0.3.10-15  
0.4.1

Nominations Related Standards:

1.1.1-5, 1.1.7, 1.1.9-18, 1.1.9-18, 1.1.20-22  
1.2.1-2, 1.2.5, 1.2.8-12, 1.2.13-19  
1.3.3-4, 1.3.11, 1.3.14-21, 1.3.24, 1.3.25-41, 1.3.42-77, 1.3.79  
1.4.1-7

Flowing Gas Related Standards:

2.1.1-6  
2.2.2-3  
2.3.1, 2.3.6, 2.3.9, 2.3.21, 2.3.25, 2.3.29-30, 2.3.32-35,  
2.3.40-51, 2.3.52-58, 2.3.62-65  
2.4.1-18

Invoicing Related Standards:

3.1.1-2  
3.3.1-3, 3.3.5-13, 3.3.16, 3.3.20-24, 3.3.26  
3.4.1-4

Electronic Delivery Mechanism Standards:

4.1.2-4, 4.1.6-7, 4.1.10, 4.1.12-13, 4.1.15-24, 4.1.26-40  
4.2.1-6, 4.2.7-20  
4.3.1-3, 4.3.5, 4.3.16-18, 4.3.20, 4.3.22-36, 4.3.38-62, 4.3.65-  
69, 4.3.72-76, 4.3.78-87, 4.3.90-93

Capacity Release Related Standards:

5.1.1-4  
5.2.2-3  
5.3.9-10, 5.3.11, 5.3.17, 5.3.22-23, 5.3.30-43, 5.3.45-52,  
5.3.57-60  
5.4.1-23

Contracts Related Standards:

6.3.1-4  
6.5.2-4

WGQ/REQ/RGQ Internet Electronic Transport Standards:

10.1.1-910.2.1-3810.3.1, 10.3.3-25

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RESERVED SHEETS

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**Original Sheet No. 195** Original Sheet No. 195 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

20. DATA ELEMENT USAGE

20.1 VGS will use the standardized data sets adopted by the FERC in Order No. 587. VGS will adhere to the following definitions for usage of these data elements:

- a. Mandatory (M) means the data element (information) must be supplied in the transaction.
- b. Conditional (C) means that the presence of data in a field is determined by the presence or lack of data in another field within the transmittal.
- c. Sender's Option (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process.
- d. Business Conditional (BC) means the data element is based on current variations in business practice. Business Conditional elements that are not supported or required by the VGS will be acknowledged in the response document with a warning message code indicating that the data elements were ignored by the receiver.
- e. Mutually Agreeable (MA) means that the data element is mutually agreed to between trading partners. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.

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*FERC Docket: RP09-742-000*

**Eighth Revised Sheet No. 196** Eighth Revised Sheet No. 196  
Superseding: Seventh Revised Sheet No. 196

GENERAL TERMS AND CONDITIONS  
(Continued)

20.2 VGS will support NAESB Version 1.8, unless a previous version is otherwise noted:

- Standard 1.4.1: Nomination (Version 1.6)
- Standard 1.4.2: Nomination Quick Response
- Standard 1.4.3: Request for Confirmation
- Standard 1.4.4: Confirmation Response (Version 1.6)
- Standard 1.4.5: Scheduled Quantity (Version 1.6)
- Standard 1.4.6: Scheduled Quantity for Operator (Version 1.6)
- Standard 1.4.7: Confirmation Response Quick Response (Version 1.6)
- Standard 2.4.1: Pre-determined Allocation
- Standard 2.4.2: Pre-determined Allocation - Quick Response
- Standard 2.4.3: Allocation Statement
- Standard 2.4.4: Shipper Imbalance
- Standard 2.4.5: Measurement Information
- Standard 2.4.6: Measured Volume Audit Statement
- Standard 2.4.7: Request for Information
- Standard 2.4.8: Response to Request for Information
- Standard 2.4.9: Authorization to Post Imbalances
- Standard 2.4.10: Posted Imbalances Download
- Standard 2.4.11: Request for Imbalance Trade
- Standard 2.4.12: Request for Imbalance Trade Quick Response
- Standard 2.4.13: Withdrawal for Request of Imbalance Trade
- Standard 2.4.14: Request for Confirmation of Imbalance Trade
- Standard 2.4.15: Imbalance Trade Confirmation
- Standard 2.4.16: Imbalance Trade Notification
- Standard 3.3.22: Where no specific contract otherwise applies, in case of Shipper level interest charges due from prior invoices, Shipper level imbalance charges, and Shipper level GRI refunds, a data element(s) will exist to support these charges due from the service requester. The invoice data sets (GISB Standards 3.4.x) will support a method of communicating this information at the service requester level.

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*FERC Docket: RP03-475-000*

**Third Revised Sheet No. 197** Third Revised Sheet No. 197 : Effective  
Superseding: Second Revised Sheet No. 197

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- Standard 3.4.1: Transportation/Sales Invoice
- Standard 3.4.2: Payment Remittance
- Standard 3.4.3: Statement of Account
- Standard 3.4.4: Service Requester Level Charge/Allowance Invoice
- Standard 5.4.1: Capacity Release - Firm Transportation and Storage - Offer
- Standard 5.4.2: Capacity Release - Bid Review
- Standard 5.4.3: Capacity Release - Firm Transportation and Storage - Award Notice
- Standard 5.4.4: Capacity Release - Replacement Capacity
- Standard 5.4.5: Capacity Release - Firm Transportation and Storage - Withdrawal
- Standard 5.4.6: Capacity Release - Electronic Withdrawal Upload
- Standard 5.4.7: Capacity Release - Upload to Pipeline of Prearranged Deal
- Standard 5.4.8: Capacity Release - Upload to Pipeline of Prearranged Deal - Validation (Version 1.5)
- Standard 5.4.9: Capacity Release - Upload to Pipeline of Prearranged Deal - Notify and Request to Confirm
- Standard 5.4.10: Capacity Release - Upload to Pipeline of Prearranged Deal - Bidder Confirmation
- Standard 5.4.11: Capacity Release - Upload to Pipeline of Prearranged Deal - Bidder Confirmation Validation
- Standard 5.4.12: Capacity Release - Upload to Pipeline of Prearranged Deal - Final Disposition
- Standard 5.4.13: Capacity Release - Operationally Available and Unsubscribed Capacity
- Standard 5.4.14: Capacity Release - Upload of Request for Download
- Standard 5.4.15: Capacity Release - Response to Upload of Request for Download (Version 1.5)
- Standard 5.4.16: Capacity Release - System-Wide Notices
- Standard 5.4.17: Capacity Release - Note/Special Instruction
- Standard 5.4.18: Capacity Release - Bid Upload
- Standard 5.4.19: Capacity Release - Bid Upload Quick Response (Version 1.5)

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**Second Revised Sheet No. 198** Second Revised Sheet No. 198 : Effective  
Superseding: Substitute First Revised Sheet No. 198

GENERAL TERMS AND CONDITIONS  
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Standard 5.4.20: Capacity Release - Transactional Reporting (Capacity Release). (Version 1.6)

Standard 5.4.21: Capacity Release - Transactional Reporting (Firm Transportation). (Version 1.6)

Standard 5.4.22: Capacity Release - Transactional Reporting (Interruptible Transportation). (Version 1.6)

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**Sheet No. 199** Sheet No. 199 : Effective

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FERC Docket: CP97-533-002

**Original Sheet No. 200** Original Sheet No. 200 : Effective

GENERAL TERMS AND CONDITIONS  
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21. CONTEMPORANEOUS COMMUNICATION OF INFORMATION

21.1 Information Available

VGS will maintain, on its Internet Home Page, all information required pursuant to Section 250.16 of the Commission's regulations, plus additional information as VGS determines to be beneficial to its customers. Such information will include, but not be limited to:

- a. Availability and pricing of transportation services;
- b. All uncommitted capacity on VGS' system available for firm and interruptible transportation services, including firm capacity becoming available but subject to an existing firm Shipper's right of first refusal;
- c. OFOs indicating the events or conditions threatening the operational integrity of VGS' system or limiting VGS' ability to provide efficient and reliable transportation services, anticipated duration of the OFO and affected segments of VGS' system and specific actions required by Shippers necessary to comply with an OFO.
- d. All information related to Capacity Release, including Offers to Release Capacity, Bids for Released Capacity, posting of winning and losing bids and Offers to Purchase Capacity;

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**First Revised Sheet No. 201** First Revised Sheet No. 201 : Effective  
Superseding: Original Sheet No. 201

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- e. A listing of each Receipt and Delivery Point that is covered by an Operational Balancing Agreement;
- f. VGS' energy affiliate log;
- g. Any information related to transportation of natural gas and gas sales and marketing on VGS' system provided to a VGS energy affiliate on a contemporaneous basis by posting such information for electronic access;
- h. VGS' log of waivers of discretionary tariff provisions;
- i. Other information of major importance regarding VGS' transportation services. Each month, VGS will review and purge outdated information from its Internet Home Page.

21.2 Electronic Access of Information

VGS will provide twenty-four (24) hour electronic access to the information described in Subsection 21.1. Information is available at no charge to the user and may be accessed via the public Internet.

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21.3 Traditional Access of Information

Information described in Subsection 21.1 will be available for public inspection at VGS' corporate offices in Houston, Texas, during regular business hours. Upon written request, VGS will mail copies of this information to interested persons within seven (7) calendar days. The party requesting information agrees to pay fifty dollars (\$50.00) for the cost of providing the requested information.

21.4 Archived Information

VGS will archive daily back-up records of the information displayed on its electronic bulletin board and maintain such records for a period of three years. Parties interested in reviewing historical information must identify and request in writing the daily back-up information they are interested in reviewing. Upon receiving a written request, VGS will collect the daily back-up information requested and make it available to the requesting party either electronically or in hard-copy form within seven (7) calendar days. The party requesting information agrees to pay fifty dollars (\$50.00) for the cost of gathering the requested information and making the information available whether such information is provided in hard-copy or electronic format.

21.5 Maintenance of Internet Home Page

Information maintained on VGS' Internet Home Page is divided into several bulletins in order to provide separate access to particular topics of interest. VGS will endeavor to ensure ease of use of its Internet Home Page and that it operates in a manner that facilitates the dissemination of available information.

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*FERC Docket: CP97-533-002*

**Original Sheet No. 203** Original Sheet No. 203 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

21.6 Announcements

Any information VGS determines to be of major importance regarding its transportation services will be mailed to all persons on VGS' current mailing list.

21.7 Mailing List

VGS will maintain a mailing list to communicate to Shippers and potential Customers any information of major importance regarding VGS' transportation services. The mailing list will include all current transportation customers, all persons who have pending requests for transportation or for information regarding VGS' transportation services, and other persons who VGS determines may be interested in such information or request to placed on such mailing list.

GENERAL TERMS AND CONDITIONS  
(Continued)

22. COMPLAINT PROCEDURES

22.1 Customer Complaints

Any Customer or potential Customer (hereafter Complainant) who believes that VGS has unduly discriminated against that Complainant, may file a complaint with VGS. All complaints shall be in writing and sent to VGS, Attention Manager-Transportation Services. Such complaint shall list all alleged discriminatory practices or unfair treatment and provide all evidence supporting the allegations.

22.2 VGS' Investigation

Upon receipt of a written complaint, VGS shall date-stamp such complaint and acknowledge receipt of the complaint by letter within forty-eight (48) hours. VGS will promptly begin to review and attempt to resolve the complaint.

22.3 Discussion of Complaints

VGS will make available a representative to discuss the allegations with the Complainant at VGS' corporate offices during normal business hours within five (5) working days of receipt of a complaint. The purpose of such a meeting is to attempt to informally resolve any problems and/or to continue the gathering of facts and information concerning the alleged undue discrimination or unfair treatment.

*Effective Date: 09/22/2004 Status: Effective*  
*FERC Docket: RP04-456-000*

**First Revised Sheet No. 205** First Revised Sheet No. 205 : Effective  
Superseding: Original Sheet No. 205

GENERAL TERMS AND CONDITIONS  
(Continued)

22.4 Response to Complaints

VGS will provide a written response to all complaints within thirty (30) days of the receipt of the written complaint. It is VGS' policy to comply with all applicable regulations while continuing to work with its customers to resolve any concerns regarding its transportation services. VGS' priority is to resolve all complaints on an informal basis knowing that most problems are based on misunderstandings, rather than any willful violation of the Commission's regulations.

23. STANDARDS OF CONDUCT

Information required to be made available pursuant to Order No. 2004, et seq., as set forth in 18 C.F.R. Section 358, is posted on VGS' Internet Home Page.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 206** Original Sheet No. 206 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

24. SALES OF EXCESS GAS

VGS is not providing a sales service under any Rate Schedule of this Tariff, but may buy and sell gas in connection with providing transportation services. Specifically, VGS may have or need gas supplies in de minimis quantities or in limited or infrequent situations that it may choose to sell for operational purposes only.

25. LIABILITY AND WARRANTY

25.1 Liability

VGS will be deemed in control and possession of the gas transported hereunder only when and to the extent that such gas is in and is being handled by the facilities owned, leased or operated by or for VGS as set forth herein for the performance of VGS' obligations under any Service Agreement. The party in control and possession of the gas will be responsible for and shall indemnify the other party with respect to any losses, injuries, claims, liabilities or damages caused thereby and occurring while the gas is in its possession.

25.2 Warranty of Title

VGS and Customer hereby warrant to each other that at its time of receipt and delivery of gas hereunder it will have good title or the good right to receive or deliver such gas, and that such gas shall be free and clear of all liens and adverse claims; and each party agrees, with respect to the gas received or delivered by it, to indemnify the other against all suits, actions, debts, accounts, damages, costs (including attorney's fees), losses, and expenses arising from or out of any adverse claims of any and all persons to or against said gas.

GENERAL TERMS AND CONDITIONS  
(Continued)

25.3 Standard of Performance

VGS shall operate its pipeline system as a prudent pipeline operator would and in such capacity shall have full operational control of all components of its pipeline system. Pursuant to this standard, VGS may use commingled supplies of natural gas of all Customers in providing services to other Customers, but such use of commingled supplies of natural gas shall not relieve VGS of its obligations to provide service in accordance with the terms of its Rate Schedules, General Terms and Conditions and Service Agreements. This standard does not, however, cause VGS to be responsible and/or liable for the actions of any third party.

26. FORCE MAJEURE

26.1 Effect of Force Majeure

If either VGS or Customer is rendered unable, wholly or in part, by force majeure to perform its obligations under any Service Agreement, other than the obligation to make payments then or thereafter due, it is agreed that performance of the respective obligations of the parties thereto to receive and deliver gas, so far as they are affected by force majeure, shall be suspended from the inception of any such inability until it is corrected, but for no longer period. The party claiming such inability shall give notice to the other party as soon as practicable after the occurrence of the force majeure event. If such notice is first given by telephone, it shall be confirmed in writing within five (5) days giving full particulars. The party claiming such inability shall promptly correct such inability to the extent it may be corrected through the exercise of reasonable diligence.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 208** Original Sheet No. 208 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

26.2 Suspension of Reservation Charges

If VGS is rendered unable, wholly or in part, by force majeure to perform its firm transportation obligations under any Firm Service Agreement, Customer shall be relieved of its obligation to make payments for reservation charges under such Firm Service Agreement applicable to that portion of the firm transportation service that is affected by force majeure, from the inception of VGS' inability to perform its firm transportation obligations until the inability is corrected, but for no longer period. Customer shall remain obligated to make payments for all or any portion of reservation charges applicable to firm transportation service provided under a Firm Service Agreement when VGS is capable, wholly or in part, of performing its firm transportation obligations and VGS' ability to perform such obligations is not affected by force majeure. VGS shall assess each Shipper receiving firm transportation services that Shipper's proportionate share of reservation charges for any period during which VGS is incapable of performing all of its firm transportation obligations.

26.3 Term Extension

The term of any Service Agreement shall not be extended beyond its normal termination date by any periods of time during which performance is suspended due to force majeure.

GENERAL TERMS AND CONDITIONS  
(Continued)

26.4 Liability

Neither party shall be liable to the other for any consequential or financial losses or damages, regardless of the nature thereof and howsoever occurring, whether such losses or damages be direct or indirect, immediate or remote, by reason of, caused by, arising out of, or in any way attributable to the suspension of performance of any obligation of either party when such suspension occurs because a party is rendered unable, wholly or in part, by force majeure to perform its obligations.

26.5 Nature of Force Majeure

The term "force majeure" as used herein shall mean, cover and include the following:

- a. Acts of God or Acts of Providence including, without limitation, epidemics, landslides, hurricanes, floods, washouts, lightning, earthquakes, storm warnings, perils of the sea, extreme heat or extreme cold, any other adverse weather conditions, and threats of any of the foregoing, and whether preceded by, concurrent with, or followed by acts or omissions of any human agency, whether foreseeable or not, which may directly or indirectly contribute to or result in either party's inability to perform its obligations; provided, however, that majeure provision in the event their act(s) or omission(s) are found to be contributory or grossly negligent, unduly discriminatory, or the product of willful misconduct, and provided further that this limitation on relief only applies to the extent that the act or omission exacerbates a force majeure event, and not to the extent that the consequences of the underlying event would have occurred regardless of the act or omission.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 210 Original Sheet No. 210 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

- b. Acts of Government including, without limitation, laws, orders, rules, decrees, judgments, judicial actions, regulations, acts of arrest or restraint, and any threats of any of the foregoing, by any government (de jure or de facto), or any agency, subdivision, or instrumentality thereof, having, claiming or asserting authority or jurisdiction over the severance, production, gathering, transportation, handling, sale, receipt or delivery of the subject matter of any Service Agreement, or any part thereof, or over materials, equipment, supplies or personnel, or any part thereof, necessary to the severance, production, gathering, transportation, handling, sale, receipt or delivery of the subject matter of any Service Agreement when any such Act of Government directly or indirectly contributes to or results in either party's inability to perform its obligations.
  
- c. Acts of Civil Disorder including, without limitation, acts of sabotage, acts of the public enemy, acts of war (declared or undeclared), blockades, insurrections, riots, mass protests or demonstrations, and threats of any of the foregoing, and police action in connection with or in reaction to any such Acts of Civil Disorder, when any such Acts of Civil Disorder directly or indirectly contribute to or result in either party's inability to perform its obligations.

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 211** Original Sheet No. 211 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

- d. Acts of Industrial Disorder including, without
- e. Failure of facilities including, without

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 212 Original Sheet No. 212 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

- f. Inability to obtain or acquire at reasonable cost grants, servitudes, rights of way, permits, licenses, or any other authorizations from third parties or agencies (private or governmental) or inability to obtain or acquire at reasonable cost necessary materials and supplies to construct, maintain and operate any facilities required for the performance of any obligations under any Service Agreement when any such inability directly or indirectly contributes to or results in either party's inability to perform its obligations.
  
- g. Any occurrence, condition, situation, or threat thereof, not covered by Subsections a) through f) above, which renders either party unable to perform its obligation, provided such occurrence, condition, situation, or threat thereof, is not under or within the control of the party claiming such inability, and provided such party could not have prevented such occurrence, condition, situation, or threat thereof, by the exercise of reasonable diligence.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 213** Original Sheet No. 213 : Effective

GENERAL TERMS AND CONDITIONS  
(Continued)

27. ASSIGNMENT

27.1 Assignment

Except for the provisions regarding a permanent or temporary release of firm capacity pursuant to Section 13 of the General Terms and Conditions, Shipper shall not assign any portion of its contractual rights to transportation under any Service Agreement. All covenants, stipulations, terms, conditions, obligations, and provisions of any Service Agreement shall extend to, be binding upon and inure to the benefit of the respective successors, assignees and legal representatives of the parties hereto. Should either party transfer or assign all its interest in its facilities or any appurtenances thereto affecting the disposition of gas hereunder, such party does hereby obligate itself and agrees to bind successor, transferee or assignee to the terms and conditions of any Service Agreement. The assignment of any Service Agreement by either party to a parent company, affiliate company or wholly owned subsidiary shall not be considered an assignment for the purposes of this article.

28. NON-WAIVER OF FUTURE DEFAULT

28.1 Non-waiver

No waiver by either VGS or Customer of any one or more defaults by the other in performance of any of the provisions of an executed Service Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

Effective Date: 06/01/2002 Status: Effective  
FERC Docket: RP00-536-001

**First Revised Sheet No. 214** First Revised Sheet No. 214 : Effective  
Superseding: Original Sheet No. 214

GENERAL TERMS AND CONDITIONS  
(Continued)

29. DESCRIPTIVE HEADINGS

29.1 Descriptive Headings

The descriptive headings of the provisions used in this FERC Gas Tariff, these General Terms and Conditions, or in any Service Agreement executed for service under a Rate Schedule contained in this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

30. CREDITING OF PENALTY AND CASH-OUT REVENUES

The purpose of this provision is to provide the method by which VGS will return penalty revenues and/or cash-out revenues, as defined herein, to Shippers beginning with calendar year 2001.

30.1 Definitions: the following terms shall have the designated meaning:

"Penalty Revenues" shall mean the total revenues collected VGS during a calendar year pursuant to the provisions of VGS' FERC Gas Tariff where (1) a penalty is allowed under VGS tariff, or (2) is imposed upon VGS by an upstream or downstream pipeline, net of VGS' administrative costs.

"Cash-Out Differentials" shall mean the net revenues collected by VGS, less administrative costs, during a calendar year pursuant to the tiered cash-out schedule in Section 11.4 when any Shipper's imbalance equals or exceeds the five percent imbalance tolerance level.

*Effective Date: 06/01/2002 Status: Effective*

*FERC Docket: RP00-536-001*

**First Revised Sheet No. 215** First Revised Sheet No. 215 : Effective

Superseding: Original Sheet No. 215

GENERAL TERMS AND CONDITIONS

(Continued)

- 30.2 a. Penalty Revenues and/or Cash-Out Differentials will be returned to Shippers on or before March 31 of the calendar year following collection.
- b. Shippers will not be eligible to receive a portion of the Penalty Revenues and/or Cash-Out Differentials for a month(s) where they are cashed out or penalized.
- c. VGS will calculate a Shipper's allocation of the Penalty Revenues and/or Cash-Out Differential using the Shipper's actual accumulated throughput in the months that a Shipper was eligible, as a percentage of the total eligible accumulated throughput of all Shippers for the calendar year.

*Effective Date: 06/01/2002 Status: Effective*

*FERC Docket: RP00-536-001*

**Sheet Nos. 216 - 299** Sheet Nos. 216 - 299 : Effective

RESERVED SHEETS

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 300** Second Revised Sheet No. 300 : Effective  
Superseding: First Revised Sheet No. 300

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_,  
between Venice Gathering System, L.L.C., a Delaware limited  
liability company, hereinafter referred to as "VGS", and  
\_\_\_\_\_, a \_\_\_\_\_, hereinafter  
referred to as "Shipper".

W I T N E S S E T H:

WHEREAS, VGS owns and operates a gas gathering  
system; and

WHEREAS, VGS has received a request from a Shipper that  
desires to ship certain quantities of gas through VGS'  
gathering system on a firm basis; and

WHEREAS, VGS has determined that its gathering system has  
available capacity to transport Shipper's gas and is willing  
to transport said gas through its gathering system; and

WHEREAS, VGS is willing to receive certain quantities  
of gas for the account of Shipper at Primary Receipt  
Point(s) and at Secondary Receipt Point(s), subject to the  
availability of capacity and to deliver equivalent  
quantities of gas for the account of Shipper at its Primary  
Delivery Point subject to the availability of capacity.

NOW THEREFORE, in consideration of the premises and  
of the mutual covenants and agreements herein set forth, the  
parties hereto do covenant and agree as follows:

ARTICLE I

1. GAS TO BE TRANSPORTED

1.1 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule FTS-1, VGS agrees to accept such quantities of gas as Shipper may cause to be tendered to VGS at: (i) the Primary Receipt Point(s), designated pursuant to Subsection 2.1 of Article II, (ii) any Primary Receipt Point(s) for quantities in excess of the Maximum Daily Quantities for each Primary Receipt Point set forth in Exhibit A on the same priority basis as a Secondary Receipt Point, or (iii) any Secondary Receipt Point(s) nominated by Shipper, on any day during the term of this Service Agreement; provided, however, that VGS shall only be obligated to accept on any day for transportation hereunder that quantity of gas VGS determines it has available capacity to receive, transport, and deliver and provided further that in no event shall VGS be obligated to transport gas on any day in excess of the Maximum Daily Quantities for any Primary Receipt Point or in excess of the Maximum Daily Reservation Quantity set forth in Exhibit B.

1.2 If on any day VGS should determine that the remaining transportation capacity of its System, after VGS has transported gas for Shippers with superior rights to transportation, is insufficient to transport all quantities of gas under similar transportation agreements entitled to similar transportation services, VGS shall allocate the available transportation capacity on the basis set forth in Section 8 of the General Terms and Conditions incorporated by reference in VGS' Rate Schedule FTS-1.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 302** Original Sheet No. 302 : Effective

- 1.3 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule FTS-1, VGS shall deliver for the account of Shipper and Shipper shall accept at the Primary Delivery Point referenced in Subsection 2.2, an equivalent quantity of gas, less appropriate reductions, to the total quantity of gas received by VGS for the account of Shipper at the Primary and Secondary Receipt Point(s) for transportation hereunder; provided, however, that in no event shall VGS be obligated to deliver on any day in excess of the Maximum Daily Quantities for any Primary Delivery Point set forth in Exhibit B or in excess of Shipper's Firm Reservation Quantity set forth in Exhibit B.

#### ARTICLE II

#### 2. RECEIPT POINT(S), DELIVERY POINT AND PRESSURES

- 2.1 The Primary Receipt Point(s) at which Shipper shall cause gas to be tendered to VGS for transportation hereunder are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Primary Receipt Point(s) are also set forth in Exhibit A. Secondary Receipt Point(s), at which Shipper may cause gas to be tendered to VGS for transportation hereunder, shall include all Receipt Points along VGS' System, subject to the availability of capacity at such Receipt Points.
- 2.2 The Primary Delivery Point at which VGS shall deliver thermally equivalent quantities of gas transported hereunder, after appropriate reductions, is described in Exhibit B to this Service Agreement. Other pertinent factors applicable to the Primary Delivery Point are also set forth in Exhibit B.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 303** Original Sheet No. 303 : Effective

- 2.3 Shipper shall cause gas to be delivered to VGS at Receipt Point(s) at a pressure sufficient to allow the gas to enter VGS' System as such pressure shall vary from time to time and place to place. VGS shall not be required to compress gas in order to receive gas into its System.
- 2.4 VGS shall deliver gas at the Delivery Point for the account of Shipper at the pressure that shall be available from time to time in VGS' System.

ARTICLE III

3. RATE(S), RATE SCHEDULE FTS-1 AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay VGS for services rendered hereunder in accordance with VGS' Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of the FERC and lawfully in effect from time to time.
- 3.2 VGS shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its Rate Schedule FTS-1 or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. VGS shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes that become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 304** Original Sheet No. 304 : Effective

- 3.3 This Service Agreement in all respects is subject to the provisions of VGS' Rate Schedule FTS-1, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in such Rate Schedule FTS-1 filed by VGS with the FERC, all of which are by reference made a part hereof.
- 3.4 Any changes or additions to this Service Agreement are set forth in Exhibit C.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT

- 4.1 The transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the FERC's regulations, as amended from time to time.
- 4.2 Transportation of gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
  - a. Any construction, acquisition, or expansion of facilities necessary to commence transportation has been completed;
  - b. Any certificate or regulatory authorization for the use of facilities necessary to commence transportation has been obtained;
  - c. Any force majeure event preventing VGS or Shipper from performing its obligations under this Service Agreement has been remedied; and
  - d. Shipper satisfies the credit worthiness criteria in accordance with Subsection 12.5 of the General Terms and Conditions of VGS' FERC Gas Tariff.

ARTICLE V

5. TERM

5.1 This Service Agreement shall be effective

\_\_\_\_\_.

5.2 After this Service Agreement becomes effective, it shall continue in full force and effect [until \_\_\_\_\_] or [for the period specified in Exhibit B or Confirmation Letter, as amended from time to time], and on a month to month basis thereafter unless and until terminated by VGS or Shipper upon the prior written notice to the other party as specified below:

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACT

6.1 When this Service Agreement becomes effective, it supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto for the transportation of gas by VGS for Shipper:

7. [CONFIRMATION LETTER

Upon the award of capacity to Replacement Shipper under VGS' capacity release program, VGS will provide Replacement Shipper a Confirmation Letter incorporating the terms of an accepted bid for capacity. Replacement Shipper shall execute and return the Confirmation Letter to VGS prior to the nomination deadline. VGS and Replacement Shipper agree that their respective signatures on such Confirmation Letter transmitted by facsimile or other similar technology will be deemed valid "signed writings." Upon execution, Replacement Shipper will be permitted to nominate transportation service on VGS in accordance with VGS' FERC Gas Tariff coextensive with the rights acquired from the Releasing Shipper.]

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 306** First Revised Sheet No. 306 : Effective  
Superseding: Original Sheet No. 306

ARTICLE VIII

8. NOTICES

8.1 Any formal notice, request, or demand that either party gives to the other regarding this service agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax, World Wide Web Home Page, Electronic Mail or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by VGS' FERC Gas Tariff.

VGS:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: Manager, Gas Control

Shipper:

8.2 Nominations to schedule transportation service hereunder shall be directed to VGS' Gas Control Department at the following telephone and fax numbers, or Designated Site:

Venice Gathering System, L.L.C.  
Gas Control Department  
Telephone No.: (713) 584-1353  
Fax No.: (713) 584-1505  
Designated Site: <http://www.venicegathering.com>

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 307** First Revised Sheet No. 307 : Effective  
Superseding: Original Sheet No. 307

- 8.3 Wire transfer payments to VGS shall be accompanied with the instructions "to credit the account of Venice Gathering System, L.L.C." and shall be sent to the following bank and account number:

(This Subsection 8.3 is to be completed indicating the Bank Name, Bank Address and VGS Account Number)

- 8.4 Remittance detail supporting wire transfer payments to VGS and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: VGS Accounting

#### ARTICLE IX

#### 9. MISCELLANEOUS

- 9.1 Unless otherwise provided, and subject to Shippers' rights under Section 15.4 of the General Terms and Conditions of VGS' FERC Gas Tariff, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that VGS recovers in the course of transporting the quantities of gas tendered hereunder by Shipper shall be VGS' sole property and VGS shall not be obligated to account to Shipper for any value, whether or not realized by VGS, that may attach or be said to attach to such substances.
- 9.2 Exhibits A, B, C and D, attached to this Service Agreement, are hereby incorporated by reference as part of this Service Agreement. The parties may amend Exhibits A, B, C or D by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B, C or D and shall be incorporated by reference as part of this Service Agreement.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 308** First Revised Sheet No. 308 : Effective  
Superseding: Original Sheet No. 308

- 9.3 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.
- 9.4 In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this Service Agreement.
- 9.5 This Service Agreement may not be assigned without the prior written consent of the other party. Either party may terminate this Service Agreement immediately if it is assigned without the other party's prior written consent.
- 9.6 The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.
- 9.7 Neither party intends for the provisions of this Service Agreement to benefit any third party. No third party shall have any right to enforce the terms of this Service Agreement against VGS or Shipper.
- 9.8 This Service Agreement may not be amended unless the amendment is in writing and signed by both parties.
- 9.9 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 309** Original Sheet No. 309 : Effective

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

WITNESSES:

VENICE GATHERING SYSTEM, L.L.C.:

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 310** Original Sheet No. 310 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-1

EXHIBIT A

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Primary Receipt Points	Receipt Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
------------------------	-----------------------------	------------------------------

\*Necessary pressure to receive gas into VGS' System;  
not in excess of:

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 311** Original Sheet No. 311 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-1

EXHIBIT B

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Primary Delivery Points	Delivery Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
-------------------------	------------------------------	------------------------------

Shipper's Maximum Daily Reservation Quantity: \_\_\_\_\_

\*Necessary pressure to deliver gas from VGS' System:  
not in excess of:

Effective Date of this Exhibit B: \_\_\_\_\_

[Termination Date of this Exhibit B: \_\_\_\_\_]

[Supersedes Exhibit B Effective: \_\_\_\_\_]

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 312** Second Revised Sheet No. 312 : Effective  
Superseding: First Revised Sheet No. 312

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-1

EXHIBIT C

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Negotiated Rate Agreement

Shipper agrees to the Negotiated Rate Option in accordance with Section 3.6 of Rate Schedule FTS-1 and notifies VGS that it desires to be billed, and agrees to pay, the charges specified below for the period commencing \_\_\_\_\_, 20\_\_ and continuing until \_\_\_\_\_, 20\_\_.

Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS-1 set forth on effective Tariff Sheet No. 4, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates that are available to Shipper under Rate Schedule FTS-1.

Specification of Negotiated Rate:

Effective Date of this Exhibit C: \_\_\_\_\_

Supersedes Exhibit C Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 313 Original Sheet No. 313 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-1

EXHIBIT D

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Other Operating Provisions

Additional or Substitute Provisions

Effective Date of this Exhibit D: \_\_\_\_\_

Supersedes Exhibit D Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 314** Original Sheet No. 314 : Effective

RESERVED SHEETS

Original Sheet Nos. 314 through 324 have been reserved.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 325** Second Revised Sheet No. 325 : Effective  
Superseding: First Revised Sheet No. 325

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-2

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_,  
between Venice Gathering System, L.L.C., a Delaware limited  
liability company, hereinafter referred to as "VGS", and  
\_\_\_\_\_, a \_\_\_\_\_, hereinafter  
referred to as "Shipper".

W I T N E S S E T H:

WHEREAS, VGS owns and operates a gas gathering  
system; and

WHEREAS, VGS has received a request from a Shipper that  
desires to ship certain quantities of gas through VGS'  
gathering system on a firm basis; and

WHEREAS, Shipper has committed its owned and  
controlled production pursuant to that certain Reserve  
Commitment Agreement dated \_\_\_\_\_ for those certain Outer  
Continental Shelf (OCS) blocks and/or leases set forth in Exhibit  
A;

WHEREAS, VGS has determined that its gathering system has  
available capacity to transport Shipper's gas and is willing  
to transport said gas through its gathering system; and

WHEREAS, VGS is willing to receive certain quantities  
of gas for the account of Shipper at Primary Receipt  
Point(s) and at Secondary Receipt Point(s), subject to the  
availability of capacity and to deliver equivalent  
quantities of gas for the account of Shipper at its Primary  
Delivery Point subject to the availability of capacity.

NOW THEREFORE, in consideration of the premises and  
of the mutual covenants and agreements herein set forth, the  
parties hereto do covenant and agree as follows:

ARTICLE I

1. GAS TO BE TRANSPORTED

- 1.1 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule FTS-2, VGS agrees to accept such quantities of gas as Shipper may cause to be tendered to VGS at: (i) the Primary Receipt Point(s), designated pursuant to Subsection 2.1 of Article II, (ii) any Primary Receipt Point(s) for quantities in excess of the Maximum Daily Quantities for each Primary Receipt Point set forth in Exhibit A on the same priority basis as a Secondary Receipt Point, or (iii) any Secondary Receipt Point(s) nominated by Shipper, on any day during the term of this Service Agreement; provided, however, that VGS shall only be obligated to accept on any day for transportation hereunder that quantity of gas VGS determines it has available capacity to receive, transport, and deliver and provided further that in no event shall VGS be obligated to transport gas on any day in excess of the Maximum Daily Quantities for any Primary Receipt Point or in excess of the Maximum Daily Reservation Quantity as determined by the procedures set forth in Exhibit B.
- 1.2 If on any day VGS should determine that the remaining transportation capacity of its System, after VGS has transported gas for Shippers with superior rights to transportation, is insufficient to transport all quantities of gas under similar transportation agreements entitled to similar transportation services, VGS shall allocate the available transportation capacity on the basis set forth in Section 8 of the General Terms and Conditions incorporated by reference in VGS' Rate Schedule FTS-2.

- 1.3 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule FTS-2, VGS shall deliver for the account of Shipper and Shipper shall accept at the Primary Delivery Point referenced in Subsection 2.2, an equivalent quantity of gas, less appropriate reductions, to the total quantity of gas received by VGS for the account of Shipper at the Primary and Secondary Receipt Point(s) for transportation hereunder; provided, however, that in no event shall VGS be obligated to deliver on any day in excess of the Maximum Daily Quantities for any Primary Delivery Point set forth in Exhibit B or in excess of Shipper's Firm Reservation Quantity as determined from time-to-time according to the procedures set forth in Exhibit B.

ARTICLE II

2. RECEIPT POINT(S), DELIVERY POINT AND PRESSURES

- 2.1 The Primary Receipt Point(s) at which Shipper shall cause gas to be tendered to VGS for transportation hereunder are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Primary Receipt Point(s) are also set forth in Exhibit A. Secondary Receipt Point(s), at which Shipper may cause gas to be tendered to VGS for transportation hereunder, shall include all Receipt Points along VGS' System, subject to the availability of capacity at such Receipt Points.
- 2.2 The Primary Delivery Point at which VGS shall deliver thermally equivalent quantities of gas transported hereunder, after appropriate reductions, is described in Exhibit B to this Service Agreement. Other pertinent factors applicable to the Primary Delivery Point are also set forth in Exhibit B.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 328** Original Sheet No. 328 : Effective

- 2.3 Shipper shall cause gas to be delivered to VGS at Receipt Point(s) at a pressure sufficient to allow the gas to enter VGS' System as such pressure shall vary from time to time and place to place. VGS shall not be required to compress gas in order to receive gas into its System.
- 2.4 VGS shall deliver gas at the Delivery Point for the account of Shipper at the pressure that shall be available from time to time in VGS' System.

ARTICLE III

3. RATE(S), RATE SCHEDULE FTS-2 AND GENERAL TERMS AND CONDITIONS
  - 3.1 Shipper shall pay VGS for services rendered hereunder in accordance with VGS' Rate Schedule FTS-2, or superseding rate schedule(s), on file with and subject to the jurisdiction of the FERC and lawfully in effect from time to time.
  - 3.2 VGS shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its Rate Schedule FTS-2 or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. VGS shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes that become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 329** Original Sheet No. 329 : Effective

- 3.3 This Service Agreement in all respects is subject to the provisions of VGS' Rate Schedule FTS-2, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in such Rate Schedule FTS-2 filed by VGS with the FERC, all of which are by reference made a part hereof.
- 3.4 Any changes or additions to this Service Agreement are set forth in Exhibit C.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT

- 4.1 The transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the FERC's regulations, as amended from time to time.
- 4.2 Transportation of gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
  - a. Shipper has executed a Reserve Commitment Agreement;
  - b. Any construction, acquisition, or expansion of facilities necessary to commence transportation has been completed;
  - c. Any certificate or regulatory authorization for the use of facilities necessary to commence transportation has been obtained;
  - d. Any force majeure event preventing VGS or Shipper from performing its obligations under this Service Agreement has been remedied; and

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 330** First Revised Sheet No. 330 : Effective  
Superseding: Original Sheet No. 330

- e. Shipper satisfies the credit worthiness criteria in accordance with Subsection 12.5 of the General Terms and Conditions of VGS' FERC Gas Tariff.

ARTICLE V

5. TERM

- 5.1 This Service Agreement shall be effective from \_\_\_\_\_ continuing for the life of the leases committed for shipment through VGS under the Reserve Commitment Agreement dated \_\_\_\_\_.
- 5.2 After this Service Agreement becomes effective, it shall continue in full force and effect until such time as Shipper or its successor-in-interest has abandoned the leases set forth on Exhibit A.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 331** Original Sheet No. 331 : Effective

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACT

- 6.1 When this Service Agreement becomes effective, it supersedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto for the transportation of gas by VGS for Shipper:

7. [CONFIRMATION LETTER

Upon the award of capacity to Replacement Shipper under VGS' capacity release program, VGS will provide Replacement Shipper a Confirmation Letter incorporating the terms of an accepted bid for capacity. Replacement Shipper shall execute and return the Confirmation Letter to VGS prior to the nomination deadline. VGS and Replacement Shipper agree that their respective signatures on such Confirmation Letter transmitted by facsimile or other similar technology will be deemed valid "signed writings." Upon execution, Replacement Shipper will be permitted to nominate transportation service on VGS in accordance with VGS' FERC Gas Tariff coextensive with the rights acquired from the Releasing Shipper.]

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 332** First Revised Sheet No. 332 : Effective  
Superseding: Original Sheet No. 332

ARTICLE VIII

8. NOTICES

8.1 Any formal notice, request, or demand that either party gives to the other regarding this service agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax, World Wide Web Home Page, Electronic Mail or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by VGS' FERC Gas Tariff.

VGS:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: Manager, Gas Control

Shipper:

8.2 Nominations to schedule transportation service hereunder shall be directed to VGS' Gas Control Department at the following telephone and fax numbers, or Designated Site:

Venice Gathering System, L.L.C.  
Gas Control Department  
Telephone No.: (713) 584-1353  
Fax No.: (713) 584-1505  
Designated Site: <http://www.venicegathering.com>

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 333** Second Revised Sheet No. 333 : Effective  
Superseding: First Revised Sheet No. 333

- 8.3 Wire transfer payments to VGS shall be accompanied with the instructions "to credit the account of Venice Gathering System, L.L.C." and shall be sent to the following bank and account number:

(This Subsection 8.3 is to be completed indicating the Bank Name, Bank Address and VGS Account Number)

- 8.4 Remittance detail supporting wire transfer payments to VGS and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: VGS Accounting

ARTICLE IX

9. MISCELLANEOUS

- 9.1 Unless otherwise provided, and subject to Shippers' rights under Section 15.4 of the General Terms and Conditions of VGS' FERC Gas Tariff, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that VGS recovers in the course of transporting the quantities of gas tendered hereunder by Shipper shall be VGS' sole property and VGS shall not be obligated to account to Shipper for any value, whether or not realized by VGS, that may attach or be said to attach to such substances.
- 9.2 Exhibits A, B, C and D, attached to this Service Agreement, are hereby incorporated by reference as part of this Service Agreement. The parties may amend Exhibits A, B, C or D by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B, C or D and shall be incorporated by reference as part of this Service Agreement.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 334** First Revised Sheet No. 334 : Effective  
Superseding: Original Sheet No. 334

- 9.3 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.
- 9.4 In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this Service Agreement.
- 9.5 This Service Agreement may not be assigned without the prior written consent of the other party. VGS will not withhold its consent for assignment to a successor-in-interest to any or all of any of Shipper's interests committed hereunder, if such assignee meets VGS' creditworthiness requirements set forth in General Terms and Conditions, section 12.5. Either party may terminate this Service Agreement immediately if it is assigned without the other party's prior written consent.
- 9.6 The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.
- 9.7 Neither party intends for the provisions of this Service Agreement to benefit any third party. No third party shall have any right to enforce the terms of this Service Agreement against VGS or Shipper.
- 9.8 This Service Agreement may not be amended unless the amendment is in writing and signed by both parties.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 335** First Revised Sheet No. 335 : Effective  
Superseding: Original Sheet No. 335

9.9 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

WITNESSES:

VENICE GATHERING SYSTEM, L.L.C.:

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 336** First Revised Sheet No. 336 : Effective  
Superseding: Original Sheet No. 336

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-2

EXHIBIT A

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Primary Receipt Points	Receipt Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
------------------------	-----------------------------	------------------------------

Leases and Blocks committed to this Agreement:

\*Necessary pressure to receive gas into VGS' System;  
not in excess of:

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 337** First Revised Sheet No. 337 : Effective  
Superseding: Original Sheet No. 337

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-2

EXHIBIT B

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Primary Delivery Point	Delivery Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
------------------------	------------------------------	------------------------------

Shipper's initial Maximum Daily Reservation Quantity shall be \_\_\_\_\_, but may be changed from time-to-time upon at least eleven (11) days notice by VGS in the event that Shipper fails in any month to tender for transportation under this Service Agreement at least 85% of Shipper's then current Maximum Daily Reservation Quantity multiplied by the number of days in that Month; provided, however, that VGS will only seek to reduce a Shipper's MDRQ under this provision when another Shipper has requested firm capacity and VGS is unable to offer such capacity because of existing subscribed capacities under this FTS-2 Rate Schedule. Provided also that Shipper's MDRQ will not be reduced under this provision when their failure to deliver at least 85% of their MDRQ in any month is the result of a temporary unforeseen operational, force majeure, or scheduled maintenance event on Shipper's or VGS' facilities that results in a temporary inability to deliver volumes to or receive volumes on VGS. VGS may not change Shipper's MDRQ to an amount less than 105% of the total quantity of gas tendered by Shipper during such Month divided by the number of Days in the Month. This change by VGS shall be effective on the first day on the Month following the end of the notice period.

Shipper may also request an increase to its MDRQ at any time, and VGS shall grant such request provided that sufficient uncommitted capacity exists in VGS system and that Shipper demonstrates to the reasonable satisfaction of VGS that it is capable of delivering into VGS on a sustained basis at least 95% of the requested MDRQ.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 338** Original Sheet No. 338 : Effective

\*Necessary pressure to deliver gas from VGS' System:  
not in excess of:

Effective Date of this Exhibit B: \_\_\_\_\_

[Termination Date of this Exhibit B: \_\_\_\_\_]

[Supersedes Exhibit B Effective: \_\_\_\_\_]

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 339** Second Revised Sheet No. 339 : Effective  
Superseding: First Revised Sheet No. 339

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-2

EXHIBIT C

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Negotiated Rate Agreement

Shipper agrees to the Negotiated Rate Option in accordance with Section 3.5 of Rate Schedule FTS-2 and notifies VGS that it desires to be billed, and agrees to pay, the charges specified below for the period commencing \_\_\_\_\_, 20\_\_ and continuing until \_\_\_\_\_, 20\_\_.

Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS-2 set forth on effective Tariff Sheet No. 4, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates that available to under Rate Schedule FTS-2.

Specification of Negotiated Rate:

Effective Date of this Exhibit C: \_\_\_\_\_

Supersedes Exhibit C Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 340** Original Sheet No. 340 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO FIRM TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE FTS-2

EXHIBIT D

To The Firm  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Other Operating Provisions

Additional or Substitute Provisions

Effective Date of this Exhibit D: \_\_\_\_\_

Supersedes Exhibit D Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 341** Original Sheet No. 341 : Effective

RESERVED SHEETS

Original Sheet Nos. 341 through 349 have been reserved.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 350** Second Revised Sheet No. 350 : Effective  
Superseding: First Revised Sheet No. 350

FORM OF SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE ITS

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_,  
between Venice Gathering System, L.L.C., a Delaware limited  
liability company, hereinafter referred to as "VGS", and  
\_\_\_\_\_, a \_\_\_\_\_,  
hereinafter referred to as "Shipper."

W I T N E S S E T H

WHEREAS, VGS owns and operates a gas gathering  
system; and

WHEREAS, VGS has received a request from a Shipper that  
desires to ship certain quantities of gas through VGS'  
gathering system on an interruptible basis; and

WHEREAS, VGS has determined that its gathering system may  
have available capacity to transport Shipper's gas and is  
willing to transport said gas through its gathering system  
subject to the availability of capacity; and

WHEREAS, VGS is willing to receive certain quantities  
of gas for the account of Shipper at the Receipt Point(s)  
and to deliver equivalent quantities of gas for the account  
of Shipper at the Delivery Point.

NOW THEREFORE, in consideration of the premises and  
of the mutual covenants and agreements herein set forth, the  
parties hereto do covenant and agree as follows:

ARTICLE I

1. GAS TO BE TRANSPORTED

- 1.1 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule ITS, VGS agrees to accept such quantities of gas as Shipper may cause to be tendered to VGS at the Receipt Point(s), designated pursuant to Subsection 2.1 of Article II, on any day during the term of this Service Agreement; provided, however, that VGS shall only be obligated to accept on any day for transportation hereunder that quantity of gas VGS determines it has available capacity to receive, transport, and deliver and provided further that in no event shall VGS be obligated to accept gas on any day in excess of the Maximum Daily Quantities for each Receipt Point set forth in Exhibit A or in excess of the Maximum Daily Transportation Quantity set forth in Exhibit B.
- 1.2 If on any day VGS should determine that the remaining transportation capacity of its system, after VGS has transported gas for Shippers with superior rights to transportation, is insufficient to transport all quantities of gas under similar transportation agreements entitled to similar transportation services, VGS shall allocate the available transportation capacity on the basis set forth in Section 8 of the General Terms and Conditions incorporated by reference in VGS' Rate Schedule ITS.

- 1.3 Subject to the terms and provisions of this Service Agreement and VGS' Rate Schedule ITS, VGS shall deliver for the account of Shipper and Shipper shall accept at the Delivery Point referenced in Subsection 2.2, an equivalent quantity of gas, less appropriate reductions, to the quantity of gas received by VGS from Shipper at the Receipt Points(s) for transportation hereunder; provided, however, that in no event shall VGS be obligated to deliver gas on any day in excess of the maximum daily quantities for each Delivery Point set forth in Exhibit B or in excess of the Maximum Daily Transportation Quantity set forth in Exhibit B.

ARTICLE II

2. RECEIPT POINT(S), DELIVERY POINT AND PRESSURES

- 2.1 The Receipt Point(s) at which Shipper shall cause gas to be tendered to VGS for transportation hereunder are described in Exhibit A to this Service Agreement. Other pertinent factors applicable to the Receipt Point(s) are also set forth in Exhibit A.
- 2.2 The Delivery Point at which VGS shall deliver thermally equivalent quantities of gas transported hereunder, after appropriate reductions, are described in Exhibit B to this Service Agreement. Other pertinent factors applicable to the Delivery Point are also set forth in Exhibit B.
- 2.3 Shipper shall cause gas to be delivered to VGS at Receipt Point(s) at a pressure sufficient to allow the gas to enter VGS' System as such pressure shall vary from time to time and place to place. VGS shall not be required to compress gas in order to receive gas into its System.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 353** Original Sheet No. 353 : Effective

- 2.4 VGS shall deliver gas at each Delivery Point for the account of Shipper at the pressure that shall be available from time to time in VGS' System.

ARTICLE III

3. RATE(S), RATE SCHEDULE ITS AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay VGS for services rendered hereunder in accordance with VGS' Rate Schedule ITS, or superseding rate schedule(s), on file with and subject to the jurisdiction of the FERC and lawfully in effect from time to time.
- 3.2 VGS shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its Rate Schedule ITS or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. VGS shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes that become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.
- 3.3 This Service Agreement in all respects is subject to the provisions of VGS' Rate Schedule ITS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in such Rate Schedule ITS filed by VGS with the FERC, all of which are by reference made a part hereof.
- 3.4 Any changes or additions to this Service Agreement are set forth in Exhibit C.

ARTICLE IV

4. REGULATORY REQUIREMENTS AND CONDITIONS PRECEDENT

- 4.1 The transportation arrangements provided for in this Service Agreement are subject to the provisions of Part 284 of the FERC's regulations, as amended from time to time.
- 4.2 Transportation of gas provided for under the terms and provisions of this Service Agreement shall not commence until the following conditions have been met:
  - a. Any construction, acquisition, or expansion of facilities necessary to commence transportation has been completed;
  - b. Any certificate or regulatory authorization for the use of facilities necessary to commence transportation has been obtained;
  - c. Any force majeure event preventing VGS or Shipper from performing its obligations under this Service Agreement has been remedied;
  - d. Shipper satisfies the credit worthiness criteria in accordance with Subsection 12.5 of the General Terms and Conditions of VGS' FERC Gas Tariff.

ARTICLE V

5. TERM

- 5.1 This Service Agreement shall be effective \_\_\_\_\_.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 355** First Revised Sheet No. 355 : Effective  
Superseding: Original Sheet No. 355

- 5.2 After this Service Agreement becomes effective, it shall continue in full force and effect until \_\_\_\_\_, and then month to month thereafter. This Service Agreement may be terminated by VGS or Shipper at any time upon ten (10) days prior written notice. However, termination will not relieve either party of the obligation to perform the terms of this Service Agreement as to any transactions that were commenced prior to termination.

ARTICLE VI

6. CANCELLATION OF PRIOR CONTRACT

- 6.1 When this Service Agreement becomes effective, it supercedes and cancels as of the effective date hereof the following Service Agreements between the parties hereto for the transportation of gas by VGS for Shipper:

ARTICLE VII

7. NOTICES

- 7.1 Any formal notice, request, or demand that either party gives to the other regarding this Service Agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax, World Wide Web Home Page, Electronic Mail or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by VGS' FERC Gas Tariff.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 356** First Revised Sheet No. 356 : Effective  
Superseding: Original Sheet No. 356

VGS:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: Manager, Gas Control

Shipper:

- 7.2 Nominations to schedule transportation service hereunder shall be directed to VGS' Gas Control Department at the following telephone and fax numbers, or Designated Site:

Venice Gathering System, L.L.C.  
Gas Control Department  
Telephone No.: (713) 584-1353  
Fax No.: (713) 584-1505  
Designated Site: <http://www.venicegathering.com>

- 7.3 Wire transfer payments to VGS shall be accompanied with the instructions "to credit the account of Venice Gathering System, L.L.C." and shall be sent to the following bank and account number:

(This Subsection 7.3 is to be completed indicating the Bank Name, Bank Address and VGS Account Number)

- 7.4 Remittance detail supporting wire transfer payments to VGS and any notice, request or demand regarding statements, bills or payments shall be mailed to the following address:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: VGS Accounting

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 357** First Revised Sheet No. 357 : Effective  
Superseding: Original Sheet No. 357

ARTICLE VIII

8. MISCELLANEOUS

- 8.1 Unless otherwise provided, and subject to Shippers' rights under Section 15.4 of the General Terms and Conditions of VGS' FERC Gas Tariff, all substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, that VGS recovers in the course of transporting the quantities of gas tendered hereunder by Shipper shall be VGS' sole property and VGS shall not be obligated to account to Shipper for any value, whether or not realized by VGS, that may attach or be said to attach to such substances.
- 8.2 Exhibits A, B and C, attached to this Service Agreement, are hereby incorporated by reference as part of this Service Agreement. The parties may amend Exhibits A, B and C by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B or C and shall be incorporated by reference as part of this Service Agreement.
- 8.3 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.
- 8.4 In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this Service Agreement.

*Effective Date: 03/01/2008 Status: Effective*

*FERC Docket: RP08-176-000*

**First Revised Sheet No. 358** First Revised Sheet No. 358 : Effective  
Superseding: Original Sheet No. 358

- 8.5 This Service Agreement may not be assigned without the prior written consent of the other party. Either party may terminate this Service Agreement immediately if it is assigned without the other party's prior written consent.
- 8.6 The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.
- 8.7 This Service Agreement may not be amended unless the amendment is in writing and signed by both parties.
- 8.8 Neither party intends for the provisions of this Service Agreement to benefit any third party. No third party shall have any right to enforce the terms of this Service Agreement against VGS or Shipper.
- 8.9 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

**Original Sheet No. 359** Original Sheet No. 359 : Effective

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

WITNESSES:

VENICE GATHERING SYSTEM, L.L.C.

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 360** Original Sheet No. 360 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE ITS

EXHIBIT A

To The Interruptible  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Receipt Points	Receipt Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
----------------	-----------------------------	------------------------------

\*Necessary pressure to receive gas into VGS' System; not in excess of.

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 361** Original Sheet No. 361 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE ITS

EXHIBIT B

To The Interruptible  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Delivery Points	Delivery Pressure(s) (psig)*	Maximum Daily Quantity (Dth)
-----------------	------------------------------------	------------------------------------

Shipper's Maximum Daily Transportation Quantity \_\_\_\_\_

\*Necessary pressure to deliver gas from VGS' System:  
not in excess of.

Effective Date of this Exhibit B: \_\_\_\_\_

Supersedes Exhibit B Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 362** Original Sheet No. 362 : Effective

FORM OF SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION  
SERVICE UNDER RATE SCHEDULE ITS

EXHIBIT C

To The Interruptible  
Transportation Service Agreement  
Dated \_\_\_\_\_  
Between Venice Gathering System, L.L.C.  
And \_\_\_\_\_

Other Operating Provisions

Additional or Substitute Provisions

Effective Date of this Exhibit C: \_\_\_\_\_

Supersedes Exhibit C Effective: \_\_\_\_\_

\_\_\_\_\_ VENICE GATHERING SYSTEM, L.L.C.

By \_\_\_\_\_ By \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 363** Original Sheet No. 363 : Effective

RESERVED SHEETS

Original Sheet Nos. 363 through 374 have been reserved.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 375** Second Revised Sheet No. 375 : Effective  
Superseding: First Revised Sheet No. 375

FORM OF SERVICE AGREEMENT  
APPLICABLE TO TITLE TRANSFER SERVICE  
RATE SCHEDULE TTS

THIS AGREEMENT is made and entered into this \_\_\_ day  
of \_\_\_\_\_, 19\_\_ by and between VENICE GATHERING  
SYSTEM, L.L.C., a Delaware limited liability company,  
hereinafter referred to as "VGS," and  
\_\_\_\_\_, a \_\_\_\_\_,  
hereinafter referred to as "Transfer Customer."

IN CONSIDERATION of the premises and of the mutual  
covenants and agreements herein contained, VGS and Customer  
agree as follows:

W I T N E S E T H :

WHEREAS, Transfer Customer has requested that VGS  
track the transfer of title to natural gas that has been or  
will be shipped on the VGS system; and

WHEREAS, VGS has agreed to provide such title  
tracking service for Transfer Customer subject to the terms  
and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and  
the mutual covenants herein contained, the parties agree as  
follows:

ARTICLE I

1. QUANTITY TO BE TRACKED

Subject to the provisions of this Agreement and of  
VGS' Rate Schedule TTS, VGS agrees to track such quantities  
of natural gas as the Transfer Customer may nominate for  
transfer to or from another Transfer Customer or a Shipper  
under VGS' Transportation Rate Schedules. Transfers will be  
accepted only at Receipt Point(s) on VGS' Master Receipt  
Point List(s), as revised from time to time, or at Delivery  
Points off of the VGS System. Quantities nominated on any  
day under this agreement shall not exceed the Maximum  
Transfer Quantity (MTQ), which for this agreement is  
\_\_\_\_\_ Dth/D.

Effective Date: 01/01/1998 Status: Effective

FERC Docket: CP97-533-002

Original Sheet No. 376 Original Sheet No. 376 : Effective

ARTICLE II

2. RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Rate: There is no separate charge for TTS Service. Transfer Customer shall, however, be liable for any charges that might be applied as a result of governmental decision that are not presently being applied to the extent that they must be charged as a result of VGS providing this service and paid through to a governmental authority. Transfer Customer may also be liable for charges set forth in Rate Schedules TTS or charges appearing in the General Terms and Conditions of VGS' FERC gas tariff. Such charges, if any, shall be paid in the same manner on the same timetable as any charge by VGS for transportation service.
- 2.2 VGS shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its Rate Schedule TTS or its General Terms and Conditions, incorporated by reference as part of this Service Agreement. VGS shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Service Agreement shall be deemed to include such changes that become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.
- 2.3 This Agreement in all respects is subject to the provisions of Rate Schedule TTS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule TTS, all of which are by reference made a part hereof.

ARTICLE III

3. Term

- 3.1 This Agreement shall become effective continue in full force and effect until \_\_\_\_\_ until and shall continue in effect until \_\_\_\_\_.
- 3.2 After this Service Agreement becomes effective, it shall continue in full force and effect until \_\_\_\_\_, and then month to month thereafter. This Agreement may be terminated by VGS or Shipper at any time upon 10 days prior written notice. However, termination will not relieve either party of the obligation to perform the terms of this agreement as to any transactions that were commenced prior to termination

ARTICLE IV

4. Notices

Any formal notice, request, or demand that either party gives to the other regarding this service agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax, World Wide Web Home Page, Electronic Mail or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by VGS' FERC Gas Tariff.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 378** Second Revised Sheet No. 378 : Effective  
Superseding: First Revised Sheet No. 378

VGS:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: Manager, Gas Control

Transfer Customer:

Nominations to schedule service hereunder shall be directed to VGS' Gas Control Department at the following telephone and fax numbers, or Designated Site:

Venice Gathering System, L.L.C.  
Gas Control Dispatching Department  
Telephone No.: (713) 584-1535  
Fax No.: (713) 584-1505  
Designated Site: <http://www.venicegathering.com>

Wire transfer payments to VGS shall be accompanied with the instructions "to credit the account of Venice Gathering System, L.L.C." and shall be sent to the following bank and account number.

(This section is to be completed indicating the Bank Name, Bank Address and VGS Account Number)

#### ARTICLE V

#### 5. MISCELLANEOUS

- 5.1 OTHER THAN AS MAY BE SET FORTH HEREIN, VENICE MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

- 5.2 VGS makes no warranties whatsoever with respect to the validity of title being transferred by any party utilizing its gathering system and hereby expressly states that it will not assume any obligation to determine the validity of any title transfer, nor will it otherwise perform any function related to the transfer of title except to track for accounting purposes transfers made pursuant to nominations and confirmation provided by Transfer Customers and those to whom they transfer title or from whom they receive title transfers. It shall be totally the responsibility of the Transfer Customer and those to whom or from whom it transfers title to resolve disputes over the validity of title being transferred.
- 5.3 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.
- 5.4 In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this agreement.
- 5.5 This agreement may not be assigned without the prior written consent of the other party. Either party may terminate this agreement immediately if it is assigned without the other party's prior written consent.
- 5.6 The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 380** Original Sheet No. 380 : Effective

- 5.7 This Agreement may not be amended unless the amendment is in writing and signed by both parties.
- 5.8 Neither party intends for the provisions of this Agreement to benefit any third party. No third party shall have any right to enforce the terms of this Agreement against VGS or Shipper.
- 5.9 This Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement in duplicate originals on the day and year first written above.

WITNESSES:

VENICE GATHERING SYSTEM, L.L.C.

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

*Effective Date: 01/01/1998 Status: Effective*

*FERC Docket: CP97-533-002*

**Original Sheet No. 381** Original Sheet No. 381 : Effective

RESERVED SHEETS

Original Sheet Nos. 381 through 399 have been reserved.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**Second Revised Sheet No. 400** Second Revised Sheet No. 400 : Effective  
Superseding: First Revised Sheet No. 400

FORM OF SERVICE AGREEMENT  
APPLICABLE TO POOLING SERVICE  
RATE SCHEDULE PS

THIS AGREEMENT is made and entered into this \_\_\_ day  
of \_\_\_\_\_, 19\_\_ by and between VENICE GATHERING  
SYSTEM, L.L.C., a Delaware Limited Liability Corporation,  
hereinafter referred to as "VGS," and  
\_\_\_\_\_, a \_\_\_\_\_ corporation,  
hereinafter referred to as "Pooling Customer."

IN CONSIDERATION of the premises and of the mutual  
covenants and agreements herein contained, VGS and Pooling  
Customer agree as follows:

W I T N E S E T H :

WHEREAS, Pooling Customer has requested that VGS  
allow it to "pool" supplies of natural gas that will be  
shipped on the VGS system; and

WHEREAS, VGS has agreed to provide such "Pooling  
Service" for Pooling Customer subject to the terms and  
conditions set forth in this Agreement and Rate Schedule PS,  
as applicable;

NOW, THEREFORE, in consideration of the promises and  
the mutual covenants herein contained, the parties agree as  
follows:

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 401** First Revised Sheet No. 401 : Effective  
Superseding: Original Sheet No. 401

ARTICLE I

1. QUANTITY TO BE POOLED

- 1.1 Subject to the provisions of this Agreement and of VGS' Rate Schedules PS, VGS agrees to allow Pooling Customer to pool such quantities of natural gas as the Pooling Customer may nominate for transfer or from a Transfer Customer under VGS' Rate Schedule TTS, another Pooling Customer under VGS' Rate Schedule PS or a Shipper under VGS' Transportation Rate Schedules. Pooling nominations for Pooling Service will be accepted only at Receipt Point(s) on VGS' Master Receipt Point List(s), as revised from time to time. Title Transfers at logical pooling points may be accomplished through pool-to-pool transfers. Quantities nominated on any day under this Agreement shall not exceed the Maximum Pooling Quantity (MPQ), which for this agreement is \_\_\_\_\_ Dth/D.

ARTICLE II

2. RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Rate: There is no separate charge for Pooling Service. Pooling Customer shall, however, be liable for any charges that might be applied as a result of governmental decision that are not presently being applied to the extent that they must be charged as a result of VGS providing this service and paid through to a governmental authority. Pooling Customer may also be liable for charges set forth in Rate Schedules PS or charges appearing in the General Terms and Conditions of VGS' FERC Gas Tariff. Such charges, if any, shall be paid in the same manner on the same timetable as any charge by VGS for transportation service.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 402** First Revised Sheet No. 402 : Effective  
Superseding: Original Sheet No. 402

2.2 VGS shall have the right, from time to time, to file and to seek FERC approval, pursuant to Section 4 of the Natural Gas Act, to change any rates, charges or provisions set forth in its Rate Schedule PS or its General Terms and Conditions, incorporated by reference as part of this Agreement. VGS shall place such changes in effect in accordance with Section 4(c) of the Natural Gas Act and this Agreement shall be deemed to include such changes that become effective by operation of law or by FERC Order, without prejudice to Shipper's right to protest the same.

2.3 This Agreement in all respects is subject to the provisions of Rate Schedule PS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule PS, all of which are by reference made a part hereof.

#### ARTICLE III

#### 3. Term

3.1 This Agreement shall become effective continue in full force and effect until \_\_\_\_\_ and shall continue in effect until \_\_\_\_\_.

3.2 After this Agreement becomes effective, it shall continue in full force and effect until \_\_\_\_\_, and then month to month thereafter. This Agreement may be terminated by VGS or Shipper at any time upon ten (10) days prior written notice. However, termination will not relieve either party of the obligation to perform the terms of this Agreement as to any transactions that were commenced prior to termination

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 403** First Revised Sheet No. 403 : Effective  
Superseding: Original Sheet No. 403

ARTICLE IV

4. Notices

Any formal notice, request, or demand that either party gives to the other regarding this Agreement must be in writing and be mailed by first class, registered or certified mail or be delivered in hand to the following address of the other party, or to such other address as either may designate by formal written notice. Routine communications may be mailed by ordinary mail. Operational communications by telephone, fax, World Wide Web Home Page, Electronic Mail or other mutually agreeable means will be considered as duly delivered without further written confirmation, unless specifically required by VGS' FERC Gas Tariff.

VGS:

Venice Gathering System, L.L.C.  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Attn: Manager, Gas Control

Pooling Customer:

Nominations to schedule service hereunder shall be directed to VGS' Gas Control Department at the following telephone and fax numbers, or Designated Site:

Venice Gathering System, L.L.C.  
Gas Control Department  
Telephone No.: (713) 584-1353  
Fax No.: (713) 584-1505  
Designated Site: <http://www.venicegathering.com>

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 404** Original Sheet No. 404 : Effective

Wire transfer payments to VGS shall be accompanied with the instructions "to credit the account of Venice Gathering System, L.L.C." and shall be sent to the following bank and account number.

(This section is to be completed indicating the Bank Name, Bank Address and VGS Account Number)

ARTICLE V

5. MISCELLANEOUS

- 5.1 OTHER THAN AS MAY BE SET FORTH HEREIN, VENICE MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.
- 5.2 VGS makes no warranties whatsoever with respect to the validity of title being transferred by any party utilizing its gathering system and hereby expressly states that it will not assume any obligation to determine the validity of any title transfer, nor will it otherwise perform any function related to the transfer of title except to track for accounting purposes transfers made pursuant to nominations and confirmation provided by Pooling Customers and those to whom they transfer title or from whom they receive title transfers. It shall be totally the responsibility of the Pooling Customer and those to whom or from whom it transfers title to resolve disputes over the validity of title being transferred.

Effective Date: 03/01/2008 Status: Effective  
FERC Docket: RP08-176-000

**First Revised Sheet No. 405** First Revised Sheet No. 405 : Effective  
Superseding: Original Sheet No. 405

- 5.3 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS AND THE PARTIES HERETO STIPULATE THAT WITH RESPECT TO ANY AND ALL DISPUTES BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT, VENUE WILL LIE IN THE FEDERAL OR STATE COURTS OF HOUSTON, HARRIS COUNTY, TEXAS.
- 5.4 In no event shall either party be liable to the other for any special, punitive, incidental, indirect, or consequential damages, including but not limited to loss of profits or business interruptions, arising out of or in any way related to this Agreement.
- 5.5 This Agreement may not be assigned without the prior written consent of the other party. Either party may terminate this Agreement immediately if it is assigned without the other party's prior written consent.
- 5.6 The failure of either party to exercise any right granted herein will not impair, or be deemed a waiver of, that party's privilege of exercising that right any subsequent time.
- 5.7 This Agreement may not be amended unless the amendment is in writing and signed by both parties.
- 5.8 Neither party intends for the provisions of this Agreement to benefit any third party. No third party shall have any right to enforce the terms of this Agreement against VGS or Shipper.
- 5.9 This Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all present and future valid orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 01/01/1998 Status: Effective  
FERC Docket: CP97-533-002

**Original Sheet No. 406** Original Sheet No. 406 : Effective

IN WITNESS WHEREOF, the parties hereto have executed  
this Service Agreement in duplicate originals on the day and  
year first written above.

WITNESSES:

VENICE GATHERING SYSTEM, L.L.C.

\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_ By \_\_\_\_\_

\_\_\_\_\_ Its \_\_\_\_\_

