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Original Sheet No. 0 Empire Pipeline, Inc.: Original Volume No. 1
Original Sheet No. 0

EMPIRE PIPELINE, INC.

FERC GAS TARIFF
Original Volume No. 1

Communication Concerning this Tariff
Should be Addressed to:

David W. Reitz, Esq.
Empire Pipeline, Inc.
6363 Main Street
Williamsville, New York 14221

Telephone Number: (716) 857-7949

Facsimile Number: (716) 857-7206

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PRELIMINARY STATEMENT

Empire Pipeline, Inc., a New York corporation, is a natural gas pipeline 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.

The Empire State Pipeline, constructed in 1993 under the jurisdiction of the Public Service Commission of the State of New York, extended from Grand Island, New York, to near Syracuse, New York. The system of Empire Pipeline, Inc. includes these formerly state regulated facilities as well as compression and pipeline facilities enabling the transportation of gas into the facilities of Millennium Pipeline Company, L.P.

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Rate Sch.	Rate Component		Base Rate	FERC ACA	Current Rate 1/
FT 2/ Empire Connector 3/					
	Year-Round Reservation	(Max)	\$9.9664	-	\$9.9664
		(Min)	0.0000	-	0.0000
	Winter Period Reservation	(Max)	13.3838	-	13.3838
		(Min)	0.0000	-	0.0000
	Summer Period Reservation	(Max)	7.2063	-	7.2063
		(Min)	0.0000	-	0.0000
	Commodity	(Max)	0.0000	-	0.0000
		(Min)	0.0000	-	0.0000
	Winter Period Overrun	(Max)	0.4400	-	0.4400
		(Min)	0.0000	-	0.0000
	Summer Period Overrun	(Max)	0.2369	-	0.2369
		(Min)	0.0000	-	0.0000
Other Primary Delivery Points 4/					
	Year-Round Reservation	(Max)	5.3888	-	5.3888
		(Min)	0.0000	-	0.0000
	Winter Period Reservation	(Max)	7.7599	-	7.7599
		(Min)	0.0000	-	0.0000
	Summer Period Reservation	(Max)	3.6952	-	3.6952
		(Min)	0.0000	-	0.0000
	Commodity	(Max)	0.0000	-	0.0000
		(Min)	0.0000	-	0.0000
	Winter Period Overrun	(Max)	0.2551	-	0.2551
		(Min)	0.0000	-	0.0000
	Summer Period Overrun	(Max)	0.1215	-	0.1215
		(Min)	0.0000	-	0.0000

- 1/ - All rates are exclusive of Compressor Fuel and Other Gas for Transporter's Use, which shippers will cause to be furnished to Transporter as set forth in Section 23 of the General Terms and Conditions.
- 2/ - When applicable, the reservation charge credit under Section 3.7 of the FT Rate Schedule or GT&C § 7.2 shall be 43% of the reservation charge for shippers with primary Point(s) of Delivery located on the Empire Connector (as defined at GT&C § 1.17), or 29% for shippers with primary Point(s) of Delivery on the Original Empire Pipeline (as defined in GT&C § 1.29).
- 3/ - As set forth at Section 3.4 of the FT Rate Schedule, these rates apply to firm shippers with primary Point(s) of Delivery located on the Empire Connector (as defined at GT&C § 1.17.)
- 4/ - As set forth at Section 3.4 of the FT Rate Schedule, these rates apply to firm shippers with primary Point(s) of Delivery on the Original Empire Pipeline (as defined in GT&C §1.29).

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Rate Sch.	Rate Component	Base Rate	FERC ACA	Current Rate 1/
FT	Other Primary Delivery Points (continued)			
	Secondary Point Winter Commodity (Max)	\$0.1849	-	\$0.1849
	(Min)	0.0000	-	0.0000
	Secondary Point Summer Commodity (Max)	0.1154	-	0.1154
	(Min)	0.0000	-	0.0000
	Secondary Point Annual Commodity (Max)	0.1505	-	0.1505
	(Min)	0.0000	-	0.0000
IT	Empire Connector 2/			
	Winter Commodity (Max)	0.4400	-	0.4440
	(Min)	0.0000	-	0.0000
	Summer Commodity (Max)	0.2369	-	0.2369
	(Min)	0.0000	-	0.0000
	Other Delivery Points 3/			
	Winter Commodity (Max)	0.2551	-	0.2551
	(Min)	0.0000	-	0.0000
	Summer Commodity (Max)	0.1215	-	0.1233
	(Min)	0.0000	-	0.0000

1/ - All rates are exclusive of Compressor Fuel and Other Gas for Transporter's Use, which shippers will cause to be furnished to Transporter as set forth in Section 23 of the General Terms and Conditions.

2/ - As set forth at Section 3.4 of the IT Rate Schedule, these rates apply to interruptible service to Point(s) of Delivery located on the Empire Connector (as defined at GT&C § 1.17.)

3/ - As set forth at Section 3.4 of the IT Rate Schedule, these rates apply to interruptible service to Point(s) of Delivery on the Original Empire Pipeline (as defined in GT&C § 1.29.)

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Negotiated Rates
Pursuant to GT&C Section 18.2

CUSTOMER: KeySpan Gas East Corporation
d/b/a KeySpan Energy Delivery Long Island

RATE SCHEDULE: FT

CONTRACT QUANTITIES: MDQ of 150,750 Dth

TERM: Ten (10) years following the commencement of service

RATE: Set forth in Exhibit B to FT Service Agreement
No. F11102 filed on 08/30/07

CUSTOMER: National Fuel Resources, Inc.

RATE SCHEDULE: FT

CONTRACT QUANTITIES: MDQ of 2,000 Dth

TERM: Commencement of service to March 31, 2010

RATE: Set forth in Exhibit B to FT Service Agreement
No. F11043 filed on 08/01/08

CUSTOMER: National Fuel Resources, Inc.

RATE SCHEDULE: FT

CONTRACT QUANTITIES: MDQ of 5,000 Dth

TERM: Commencement of service to April 30, 2012

RATE: Set forth in Exhibit B to FT Service Agreement
No. F11044 filed on 08/01/08

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Negotiated Rates
 Pursuant to GT&C Section 18.2

Primary Shipper Receipt Name Point(s)	Primary Contract Number	Primary Delivery Points(s)	Rate Schedule	Negotiated Rate	Term of Negotiated Rate	Quantity
-----	-----	-----	-----	-----	-----	-----
Macquarie Cook Chippawa Energy, LLC	F11410	Mendon	FT	2/	3/	3,250 Dth/d

1/ The underlying service agreement contains no material deviations from the pro forma service agreement in Transporter's tariff.

2/ The commodity rate shall be the maximum commodity and overrun rates under Transporter's Rate Schedule FT. The reservation rate shall be the maximum Year-Round Reservation Rate applicable to shippers with primary point(s) of delivery located on the Original Empire Pipeline.

Applicable surcharges shall be applied to the foregoing rates, provided that Shipper shall be subject to the Secondary Point Annual Commodity Surcharge. Shipper shall be responsible for providing compressor fuel and other gas for Transporter's use as provided in Transporter's tariff.

3/ The term of the agreement is May 1, 2009 through October 31, 2009. The negotiated rate shall expire upon the effective date of a tariff change making Transporter's Year-Round Reservation Rate the recourse rate applicable to the agreement.

4/ No other agreement, understanding, negotiation or consideration is linked to Transporter's agreement with Shipper. This agreement will replace Transporter's agreement with Constellation Energy Commodities Group, Inc. upon Commission acceptance.

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RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- 1.1 This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Empire Pipeline, Inc. (hereinafter referred to as "Transporter"), when:
 - (a) Transporter has determined that it has sufficient available and uncommitted capacity and requisite governmental authority to perform service requested by Shipper; and
 - (b) Shipper and Transporter have executed an Agreement under this rate schedule.
- 1.2 Transporter shall not be required to grant a request for transportation service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 While a determination of capacity on Transporter's system is reported once each year, on March 1st, in accordance with Section 284.13(d) (2) of the Commission's regulations, determination of available firm capacity on Transporter's system shall be made from time to time as capacity becomes available or as requests for service are received hereunder. Subject to Sections 12, 14 and 15 of the General Terms and Conditions of this tariff, in processing requests for service hereunder, Transporter shall allocate any available firm capacity to persons which make a valid request under Section 2.1 of the General Terms and Conditions, on a first come, first served basis determined as of the date Transporter received a valid request.

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RATE SCHEDULE FT
Firm Transportation Service
(Continued)

1. AVAILABILITY (Cont'd.)

1.4 Upon the request of Shipper, firm Point(s) of Receipt or firm Point(s) of Delivery may be added or deleted from time to time provided Transporter can provide service at such points on a firm basis, provided, however, that Transporter shall have no obligation to agree to a change in Shipper's primary firm Point(s) of Receipt or firm Point(s) of Delivery if such change would result in a decrease in Shipper's rate or the revenues received from Shipper under the applicable Transportation Service Agreement. The availability of service at secondary Point(s) of Receipt or Point(s) of Delivery is described in Section 2.4 hereof.

- (a) Availability of service at new primary Point(s) of Delivery will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.3, among its existing and new primary Point(s) of Delivery.
- (b) Availability of service at new primary Point(s) of Receipt will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.3, among its existing and new primary Point(s) of Receipt.
- (c) A request for a change in primary Point(s) of Receipt or Delivery shall be set forth on Transporter's Service Request Form, however, the information specified in Subsections (c) and (f) of Section 2.1 of the General Terms and Conditions may be omitted.

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RATE SCHEDULE FT
Firm Transportation Service
(Continued)

1. AVAILABILITY (Cont'd.)

1.5 This Rate Schedule FT is available only for transportation to Point(s) of Delivery that are equipped with equipment sufficient to provide Transporter with real time measurement, communication and control capability. All Point(s) of Receipt must also be equipped with such equipment. Transporter may waive this requirement on a non-discriminatory basis with respect to a Point of Delivery or Point of Receipt if it determines that:

- (a) such equipment exists at another point on Transporter's system and can (i) control gas flows at the Point of Receipt or Delivery and (ii) provide a close approximation of the quantity of gas flowing at such Point of Receipt or Delivery; or
- (b) another form of measurement, communication and control is adequate in consideration of the volumetric limitations of the interconnect facilities.

1.6 In addition to the information specified in Section 2.1 of the General Terms and Conditions, a request for service under this rate schedule shall include the following:

- (a) Points of Receipt/Delivery: The primary Point(s) of Receipt and Point(s) of Delivery for the requested transportation together with the name of the entity delivering the gas to Transporter and the name of the entity to receive the gas from Transporter,
- (b) Gas Quantities: The maximum daily quantity (MDQ) applicable to each primary Point of Receipt and Point of Delivery, stated in dekatherms.

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule FT shall be performed under Subpart 284G of the Commission's Regulations or, where specifically referenced in the FT Service Agreement, Subpart 284B of such regulations. This Rate Schedule FT shall apply to all service provided by Transporter for Shipper pursuant to an FT Service Agreement (the form of which appears at Sheet Nos. 301 - 309).
- 2.2 Service hereunder shall be provided on a firm basis. However, service may be interrupted for any of the reasons set out in Section 9 of the General Terms and Conditions hereof, or whenever necessary to maintain gas quality or the integrity of Transporter's system.
- 2.3 Service hereunder shall consist of the receipt by Transporter of natural gas tendered by Shipper for transportation (including the quantities described in Section 23 of the General Terms and Conditions, to the extent applicable) at the primary Point(s) of Receipt specified in the FT Service Agreement, or at secondary Point(s) of Receipt as described in Subsection 2.4 hereof, the transportation of that natural gas through or by use of Transporter's system, and the delivery of that natural gas, by Transporter to Shipper or for Shipper's account at the primary Point(s) of Delivery specified in the FT Service Agreement, or at secondary Point(s) of Delivery as described in Subsection 2.4 hereof. Except as provided in Subsection 2.4 and Section 4 hereof, Shipper shall have no right:
- (a) to tender quantities of gas at any firm primary Point of Receipt in excess of the Maximum Daily Quantity (MDQ) specified in the FT Service Agreement for that Point of Receipt, divided by the difference obtained by subtracting (i) the applicable Compressor Fuel factor from (ii) 100 percent,
 - (b) to tender quantities of gas on any day at any combination of Point(s) of Receipt, in excess of the Contract MDQ, divided by the difference obtained by subtracting (i) the applicable Compressor Fuel factor from (ii) 100 percent,

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd.)

- (c) to take delivery of quantities of gas at any firm primary Point of Delivery in excess of the MDQ specified in the FT Service Agreement for that Point of Delivery, nor
- (d) to take delivery of quantities of gas in excess of the Contract MDQ on any day at any combination of Point(s) of Delivery.

The Contract MDQ shall be the sum of the MDQ's applicable to each primary Point of Delivery. The sum of the MDQ's applicable to each primary Point of Receipt shall also equal the Contract MDQ.

2.4 Subject to the provisions of this Rate Schedule FT, Transporter will:

- (a) accept natural gas tendered by Shipper at a secondary Point of Receipt, and
- (b) deliver natural gas for the Shipper's account at a secondary Point of Delivery;

provided that such acceptance or delivery would not impair Transporter's ability to provide firm transportation (to another Shipper from a firm primary Point of Receipt or firm primary Point of Delivery) and provided further that any such Point(s) of Delivery are equipped with measurement, control and communication equipment required for firm Point(s) of Delivery. Use of secondary Point(s) of Receipt or Point(s) of Delivery by FT Shippers shall be superior to the use of such points by interruptible shippers. Unless specifically provided otherwise in a written amendment to the FT Service Agreement under Section 3.2 hereof or a Negotiated Rate Agreement under Section 18.2 of the General Terms and Conditions, Transporter's maximum rates shall apply to transportation involving the use of secondary Point(s) of Receipt or Point(s) of Delivery.

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd.)

- 2.5 A shipper receiving service under this Rate Schedule FT shall not lose priority for purposes of this section by the renewal or extension of term of that service.
- 2.6 Any determination by Transporter with regard to the acceptability of a regulatory or other governmental authorization shall be made in the reasonable exercise of its judgment. (See Article V of the Form of FT Service Agreement appearing at Sheet No. 304.)
- 2.7 Primary Point(s) of Delivery located on the Original Empire Pipeline and primary Point(s) of Delivery located on the Empire Connector may not be specified in the same FT Service Agreement.
- 2.8 The FT Service Agreement shall indicate the transportation path through Transporter's system between Shipper's primary Point(s) of Receipt and Point(s) of Delivery, and the Point(s) of Receipt or Point(s) of Delivery located along the transportation path that are eligible as primary or secondary Point(s) of Receipt or Point(s) of Delivery. Shipper may simultaneously nominate for and/or release its capacity in two or more segments along its transportation path, provided that the combined nominated and/or released quantities in any such segment do not exceed Shipper's Contract MDQ (or the portion thereof identified to a particular transportation path). Each such segment must be bounded by a primary Point of Receipt and a Point of Delivery eligible under Section 1.5 hereof or two Points of Delivery eligible under Section 1.5 hereof. The Commodity Charge and the Reimbursement of Compressor Fuel and Other Gas For Transporter's Use shall be applied to each segmented service.

Subject to the limitations set forth above, Shipper's segmentation rights shall include the ability for Shipper or its replacement shippers to nominate a forward-haul and a backhaul transportation to the same Point of Delivery; provided that, with respect to gas flowing opposite to the direction that gas flows from Shipper's primary Point(s) of Receipt to its primary Point(s) of Delivery, deliveries at such point (even if a primary point) shall have the priority set forth at Section 9(c) of the General Terms and Conditions.

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RATE SCHEDULE FT
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd.)

- 2.9 Shipper may request Transporter to receive, transport, and deliver quantities of natural gas in excess of Shipper's MDQ on any day under the FT Service Agreement. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery without impairing the ability of Transporter to meet its other delivery obligations. Deliveries pursuant to such scheduled Overrun Transportation shall be subordinated to all firm transportation services and shall be scheduled, together with transportation under Rate Schedule IT.
- 2.10 A Shipper receiving service under this rate schedule under a service agreement with a primary term of fifteen (15) years or longer shall have the right to extend the term of the service agreement at maximum recourse rates in five (5) year increments by giving written notice to Transporter twelve (12) months prior to the termination date in effect at the time such notice is given. For purposes of this provision, a service agreement entered into to restate a pre-existing service agreement of Empire State Pipeline with a primary term of fifteen (15) years or longer will be considered to have a primary term of fifteen (15) years or longer, as long as the primary term of the restated agreement extends to a date no earlier than the end of the primary term of such pre-existing agreement.
- 2.11 Unless otherwise agreed to by Transporter, Shipper is responsible for making all arrangements for any transportation desired by Shipper upstream or downstream of Transporter's facilities.

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RATE SCHEDULE FT
Firm Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd.)

- 2.12 The Contract MDQ shall be a uniform quantity throughout the contract year, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in the Contract MDQ during specified periods during the year. The Contract MDQ and any differing levels in the Contract MDQ, shall be specified in the executed service agreement. For purposes of Section 15 of the General Terms and Conditions, (a) a service agreement under this Rate Schedule at the applicable maximum rates with varying levels of Contract MDQ for a term of twelve or more consecutive months at a Contract MDQ greater than zero shall be a Qualifying Agreement, and (b) a "quantitative portion" of Shipper's Contract MDQ or the portion bid upon must reflect a uniform percentage reduction for each month of the contract year, or as mutually agreed to by Transporter on a non-discriminatory basis.
- 2.13 Transporter shall not be required to receive or deliver gas at a receipt or delivery point where the total quantity of gas for transportation scheduled is less than that required to operate existing measurement facilities at such point.

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RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES

- 3.1 The maximum and minimum rates for service under this rate schedule are set forth on the currently effective Sheet Nos. 6 and 7 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 Unless otherwise agreed to by Transporter and Shipper in a written amendment to the FT Service Agreement, Shipper shall pay Transporter charges based on the maximum rates set forth on currently effective Sheet Nos. 6 and 7. Transporter and Shipper may agree in such amendment to one or more of the following provisions:
- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
 - (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
 - (d) that a specified discounted rate will apply only to specified points, combinations of points, zones or other defined geographical area(s), which provision may include an explanation of how reservation or other fixed charges are calculated when non-discounted points, zones or areas are used;
 - (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported];

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Original Sheet No. 19 Original Sheet No. 19

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES (Cont'd.)

- (f) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. To the extent the firm reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per maximum daily quantity. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
- (g) that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. The amendment may also provide for an adjustment to rate components to achieve the over-all revenues attributable to the agreed rates under the service agreement being amended and other service agreements under the same or other rate schedules, should changes in Transporter's maximum or minimum rates increase or decrease the revenues attributable to such other service agreement, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rates applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

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FERC Docket: CP06-5-010

Original Sheet No. 20 Original Sheet No. 20

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES (Cont'd.)

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this Subsection 3.2 shall not constitute a material deviation from the applicable form of service agreement.

3.3 For all service rendered under this rate schedule, Shipper shall pay Transporter the sum of the following:

- (a) Reservation Charge. A charge per month per Dth of Contract MDQ.
- (b) Commodity Charge. A charge per Dth for all gas delivered by Transporter during the billing month.
- (c) Secondary Point Commodity Surcharge. A charge per Dth for all gas delivered by Transporter during the billing month at secondary Point(s) of Delivery located on the Empire Connector, applicable to shippers with primary Point(s) of Delivery located on the Original Empire Pipeline. Annual Firm Shippers shall be subject to the Annual Secondary Point Commodity Surcharge. Seasonal Firm Shippers shall be subject to the Winter Secondary Point Commodity Surcharge during the Winter Period and the Summer Secondary Point Commodity Surcharge during the Summer Period.
- (d) An amount to reimburse Transporter for filing fees paid to the Commission associated with the transportation service.

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FERC Docket: RP09-801-000

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

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES (Cont'd.)

- (e) An amount as approved by the Commission to reimburse Transporter for the cost of any new facilities installed by Transporter to receive or deliver natural gas for the account of Shipper; including, but not limited, to equipment sufficient to provide Transporter with real time measurement, communication and control capability.
- (f) All other charges set forth in this tariff.

3.4 The applicable maximum and minimum reservation and commodity rates applicable to shippers with primary Point(s) of Delivery located on the Empire Connector are set forth separately on Sheet No. 6 as "Empire Connector" rates. The applicable maximum and minimum reservation and commodity rates applicable to shippers with primary Point(s) of Delivery located on the Original Empire Pipeline are set forth separately on Sheet Nos. 6 and 7 as "Other Primary Delivery Points" rates.

3.5 Where the Shipper's contract MDQ is a uniform daily quantity throughout each contract year, and the term of the Shipper's service agreement is twelve (12) consecutive months or a multiple thereof, Shipper shall be subject to the Year-Round Reservation Charge, as applicable under Section 3.4. In addition, the Year-Round Reservation Charge will be applicable to service agreements under which service commences on the effective date of this tariff and terminates on October 31 of any year. Shippers acquiring firm capacity subject to the Year-Round Reservation Charge through the capacity release provisions set forth in Section 12 of the General Terms and Conditions shall be subject to the Year-Round Reservation Charge, unless no rate limitation applies to such release. In all other cases governed by this Section 3, Shipper shall be subject to the Winter Period Reservation Charge during the Winter Period, and shall be subject to the Summer Period Reservation Charge during the Summer Period, as applicable under Section 3.4.

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES (Cont'd.)

- 3.6 If Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, but not including any incidence of force majeure, as defined in Section 28.6 of the General Terms and Conditions, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on, such Day, or Shipper's Maximum Daily Quantity, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the Reservation Charge multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, over (b) the Maximum Daily Quantity, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.6 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply or unless service was provided under such agreement prior to the effective date of this FERC Gas tariff.
- 3.7 If Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, due to the incidence of force majeure, as defined in Section 28.6 of the General Terms and Conditions, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on, such Day, or Shipper's Maximum Daily Quantity, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the applicable percentage of the Reservation Charge shown on Sheet No. 6 multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less,

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FERC Docket: RP10-505-000

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Superseding: Original Sheet No. 23

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

3. RATES (Cont'd.)

over (b) the Maximum Daily Quantity, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.7 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply.

- 3.8 Gas For Transporter's Use: Shipper shall furnish the Compressor Fuel and Other Gas for Transporter's Use for the Transportation Service performed on behalf of Shipper, as described at Section 23 of the General Terms and Conditions.
- 3.9 Overrun Transportation: For each Dth of gas delivered by Transporter on any day in excess of Shipper's Contract MDQ (whether or not scheduled), Shipper shall pay Transporter the applicable rate for Overrun Transportation set forth on Sheet No. 6 of this tariff. The applicable rate during the Winter Period is designated as the Winter Period Overrun Charge. The applicable rate during the Summer Period is designated as the Summer Period Overrun Charge.
- 3.10 Minimum Monthly Bill: The minimum monthly bill shall be the Reservation Charge.

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FERC Docket: RP10-505-000

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

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's effective FERC Gas Tariff, Original Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter, shall apply to and are made a part of this rate schedule.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Sheet Nos. 25 - 50 Sheet Nos. 25 - 50

SHEET NOS. 25 - 50 ARE RESERVED FOR FUTURE USE

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- 1.1 This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Empire Pipeline, Inc. (hereinafter referred to as "Transporter") when Transporter has the physical ability and requisite governmental authority to perform the desired service, and Shipper and Transporter have executed an Agreement under this rate schedule.
- 1.2 Transporter shall not be required to grant a request for transportation service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 In addition to the information specified in Section 2 of the General Terms and Conditions of this tariff, a request for service under this rate schedule shall include the following:
 - (a) Gas Quantities: The maximum daily quantity (MDQ) applicable to Shipper's Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule IT shall be performed under Subpart 284G of the Commission's Regulations or, where specifically referenced in the IT Service Agreement, Subpart 284B of such regulations. This Rate Schedule IT shall apply to all service provided by Transporter for Shipper pursuant to an IT Service Agreement.
- 2.2 (a) Service hereunder shall be provided on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing both the receipt and delivery of gas.
 - (b) Service hereunder will be interrupted whenever necessary to provide firm transportation service. Service hereunder is also subject to the availability of any necessary upstream or downstream transportation, which shall be the responsibility of Shipper to arrange.

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Second Revised Sheet No. 52 Second Revised Sheet No. 52
Superseding: First Revised Sheet No. 52

RATE SCHEDULE IT
Interruptible Transportation Service
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd.)

- 2.3 Service hereunder shall consist of the receipt by Transporter of natural gas tendered by Shipper for transportation (including the quantities described in Section 23 of the General Terms and Conditions) at the Point(s) of Receipt specified in the IT Service Agreement, the transportation of that natural gas through or by use of Transporter's system, and the delivery of that natural gas by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery specified in the IT Service Agreement.
- 2.4 All Point(s) of Receipt and Point(s) of Delivery are available to Shippers as they are added to Transporter's system.
- 2.5 Shipper may request Transporter to receive, transport, and deliver on any day, quantities of natural gas in excess of Shipper's MDQ under the IT Service Agreement. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery obligations.
- 2.6 Transporter shall not be required to receive or deliver gas at a Point of Receipt or Point of Delivery where the total quantity of gas for transportation scheduled is less than that required to operate existing measurement facilities at such point.

3. RATES

- 3.1 The maximum and minimum commodity rates per Dth for service under this rate schedule during the Winter Period and, conversely, during the Summer Period, are set forth on the currently effective Sheet No. 7 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this Tariff
- 3.2 Unless otherwise mutually agreed to by Transporter and Shipper in a written amendment to the IT Service Agreement or unless Shipper utilizes a combination of receipt and delivery points eligible for specific discounted rates posted by Transporter on its web site as described in Section 3.6 below, Shipper shall pay Transporter charges based on the maximum rates set forth on currently effective

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First Revised Sheet No. 53 First Revised Sheet No. 53
Superseding: Original Sheet No. 53

RATE SCHEDULE IT
Interruptible Transportation Service
(Continued)

3. RATES (Cont'd.)

Sheet No. 7. Transporter and Shipper may agree in such amendment to one or more of the following provisions:

- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
- (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
- (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
- (d) that a specified discounted rate will apply only to specified points, combinations of points, zones or other defined geographical area(s);
- (e) and/or that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the commodity charge will be adjusted in a specified relationship to quantities actually transported];
- (f) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this provision shall not constitute a material deviation from the applicable form of service agreement.

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First Revised Sheet No. 54 First Revised Sheet No. 54
Superseding: Original Sheet No. 54

RATE SCHEDULE IT
Interruptible Transportation Service
(Continued)

3. RATES (Cont'd.)

3.3 For all service rendered under this rate schedule during each month, Shipper shall pay Transporter the sum of the following:

- (a) Commodity Charge: A charge per Dth for all gas delivered by Transporter during the billing month.
- (b) An amount to reimburse Transporter for filing fees associated directly with the transportation service and paid to the Commission.
- (c) An amount to reimburse Transporter for the costs of any facilities installed by Transporter to receive or deliver natural gas for the account of Shipper.
- (d) All other charges set forth in this tariff.

3.4 The applicable maximum and minimum commodity rates applicable to delivery of gas at Point(s) of Delivery located on the Empire Connector are set forth separately on Sheet No. 7 as "Empire Connector" rates. The applicable maximum and minimum commodity rates applicable to deliveries of gas at Point(s) of Delivery located on the Original Empire Pipeline are set forth separately on Sheet No. 7 as "Other Primary Delivery Points" rates.

3.5 Gas For Transporter's Use: Shipper shall furnish the Compressor Fuel and Other Gas for Transporter's Use for the Transportation Service performed on behalf of Shipper, as described at Section 23 of the General Terms and Conditions.

3.6 Posted Discounts: Transporter may from time to time post on its web site discounted rates for service under this rate schedule for specified combinations of points of receipt and delivery and for a specified term; provided that such discounted rates shall be between the applicable maximum and minimum rates set forth on the currently effective Sheet No. 7 of this tariff. In such cases, Shipper shall be charged the posted discounted rate for utilizing the service between the specified combination(s) of point(s) of receipt and delivery for quantities up to Shipper's Contract MDQ during the specified term of the discount.

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

RATE SCHEDULE IT
Interruptible Transportation Service
(Continued)

3.7 Overrun Transportation: For each Dth of gas delivered by Transporter on any day in excess of Shipper's Contract MDQ (whether or not scheduled), Shipper shall pay Transporter the applicable commodity rate for service as described in Section 3.1 of this rate schedule and as shown on the currently effective Sheet No. 7 of this tariff.

3.8 Minimum Monthly Bill: None.

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's effective FERC Gas Tariff, Original Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter, shall apply to and are made a part of this Rate Schedule.

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Sheet Nos. 56 - 99 Sheet Nos. 56 - 99

SHEET NOS. 56 - 99 ARE RESERVED FOR FUTURE USE

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 100 Original Sheet No. 100

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS

- 1.1 "Agreement" shall mean the Service Agreement executed by the Shipper and Transporter and any exhibits, attachments and/or amendments thereto
- 1.2 "Annual Billing Period" as used in Sections 4.9(d) and 10.3(e), shall have the meaning set forth in Section 4.9(d) of these General Terms and Conditions.
- 1.3 "Annual Firm Shipper" shall mean an FT Shipper subject to the Year-Round Reservation Charge, pursuant to Section 3.5 of the FT Rate Schedule.
- 1.4 "Backhaul" shall mean the receipt and delivery of Gas which is accomplished by the Transporter's delivery of Gas at Point(s) of Delivery of Transporter which is or are upstream from its Point(s) of Receipt of such Gas.
- 1.5 "BTU" shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one degree (1) Fahrenheit at sixty degrees (60) Fahrenheit. (BTU is measured on a dry basis at 14.73 psia.)
- 1.6 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
- 1.7 "Central Clock Time" shall mean the clock time, daylight savings or standard, as observed in Houston, Texas.
- 1.8 "Commission" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction.
- 1.9 "Compressor Fuel" shall mean Gas used in the operation of Transporter's compressor station located in Oakfield, New York.
- 1.10 "Cubic Foot" shall mean the volume of natural gas which occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit and at an absolute pressure of 14.73 pounds per square inch.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS (Cont'd.)

- 1.11 "Day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending with 9:00 a.m. Central Clock Time (10:00 a.m. Eastern Clock Time); Standard time for the gas day is 9:00 a.m. to 9:00 a.m. Central Clock Time (10:00 a.m. to 10:00 a.m. Eastern Clock Time).
- 1.12 "Dekatherm" (Dth) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU, measured on a dry basis; thus the term MDth shall mean one (1) thousand Dth.
- 1.13 "Each Dth Of Gas Which Is Delivered" shall mean actual deliveries measured by use of the meter at the Point of Delivery. The amount of Gas received from or on behalf of a Shipper in any day shall be Equivalent Quantities to the amount delivered to or for the account of such Shipper on such day.
- 1.14 "Elapsed Prorata Capacity" shall mean 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.
- 1.15 "Electronic Communication" shall mean the transmission of information via Transporter's Web Site or other mutually agreed communication methodologies used to transmit and receive information, including communication by telephone or facsimile.
- 1.16 "Electronic Delivery Mechanism" or "EDM" shall mean the Electronic Communication methodology used to transmit and receive data related to gas transactions. Transporter and Shippers shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party.
- 1.17 "Empire Connector" shall mean Transporter's pipeline facilities commencing at the Original Empire Pipeline at Victor, New York and terminating at the Millennium Pipeline at Corning, New York.
- 1.18 "Equivalent Quantity" shall mean the thermal equivalent of the volumes of gas received at the Point(s) of Receipt, less Compressor Fuel and Other Gas for Transporter's Use.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS (Cont'd.)

- 1.19 "Existing Shipper" as used in Section 12 of these General Terms and Conditions, shall mean a Shipper under Rate Schedule FT that wants to release any or all of its capacity.
- 1.20 "Forward-haul" shall mean the receipt and delivery of Gas which is accomplished by the Transporter's delivery of Gas at Point(s) of Delivery of Transporter which is or are downstream from its Point(s) of Receipt of such Gas.
- 1.21 "Gas" shall mean natural gas, including casinghead gas produced with crude oil, gas from gas wells and gas from condensate wells and synthetic natural gas.
- 1.22 "Heating Value" shall mean, when applied to a cubic foot of gas, the number of British thermal units produced by the complete combustion with air, at a constant pressure, of one anhydrous (dry) cubic foot of gas at an absolute pressure of 14.73 pounds per square inch and at a temperature of 60 degrees Fahrenheit, when the products of combustion are cooled to the initial temperature of the gas and air, and when water formed by combustion is condensed to a liquid state.
- 1.23 "Incremental Capacity on the Original Empire Pipeline" shall mean capacity on the Original Empire Pipeline made possible by the use of Transporter's Oakfield Compressor Station when there is capacity available on the Empire Connector.
- 1.24 "Maximum Daily Quantity" shall mean the greatest number of Dths that Transporter is obligated to deliver to or on behalf of Shipper on any Day.
- 1.25 "Mcf" shall mean 1,000 cubic feet of gas.
- 1.26 "Month" shall mean the period beginning at 9:00 a.m. Central Clock Time (10:00 a.m. Eastern Clock Time) on the first Day of a calendar month and ending at the same hour on the first Day of the next succeeding calendar month.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS (Cont'd.)

- 1.27 "NAESB Standards" shall mean those standardized procedures and mechanisms that have been adopted by the Wholesale Gas Quadrant of the North American Energy Standards Board (formerly the Gas Industry Standards Board) and incorporated by reference in the Commission's regulations.
- 1.28 "Negotiated Rate Shipper" shall mean a Shipper under an agreement including a negotiated rate pursuant to Section 18.2 of these General Terms and Conditions.
- 1.29 "Original Empire Pipeline" shall mean Transporter's pipeline facilities as of December 21, 2006, commencing at Grand Island, New York, and terminating at Phoenix, New York.
- 1.30 "Other Gas For Transporter's Use" shall mean, Shipper's allocable amount of Transporter's total quantity of Gas used (except for Compressor Fuel), and lost and unaccounted for each Month, in dekatherms. Such allocable amount shall be that percentage of such total dekatherms that the dekatherms of Gas received by Transporter for the account of Shipper in the Month is of the total dekatherms of Gas received by Transporter from all Shippers in such Month.
- 1.31 "Potential Shipper", as used in Section 12 of these General Terms and Conditions, shall mean an entity listed on Transporter's approved bidder list that may bid or has bid on firm capacity rights through Transporter's capacity release mechanism.
- 1.32 "Pre-Arranged Shipper", as used in Section 12 of these General Terms and Conditions, shall mean an entity on Transporter's approved bidder list proposed by an Existing Shipper to obtain the Existing Shipper's firm capacity rights through Transporter's capacity release mechanism.
- 1.33 "Primary Delivery Point" shall mean the Point of Delivery specified in any Agreement pursuant to Rate Schedule FT.
- 1.34 "Primary Receipt Point" shall mean the Point of receipt specified in any Agreement pursuant to Rate Schedule FT.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS (Cont'd.)

- 1.35 "Quantity of Gas" shall mean a number of units of gas expressed in dekatherms, unless otherwise specified.
- 1.36 "Recourse Rate Shipper" shall mean a Shipper under an agreement that does not include a negotiated rate pursuant to Section 18.2 of these General Terms and Conditions.
- 1.37 "Replacement Shipper", as used in Section 12 of these General Terms and Conditions, shall mean a Potential or Pre-Arranged Shipper that has been awarded firm capacity rights for a specified period of time through Transporter's capacity release mechanism.
- 1.38 "Seasonal Firm Shipper" shall mean an FT Shipper subject to the Winter Reservation Charge and/or the Summer Reservation Charge, pursuant to Section 3.5 of the FT Rate Schedule.
- 1.39 "Secondary Delivery Point" shall mean any point other than the Point of Delivery specified in any Agreement pursuant to Rate Schedule FT.
- 1.40 "Secondary Receipt Point" shall mean any point other than the Point of Receipt specified in any Agreement pursuant to Rate Schedule FT.
- 1.41 "Shipper" shall mean any customer for service under one or more of the Rate Schedules of this tariff which executes Service Agreement(s), pursuant to such schedule, with Transporter.
- 1.42 "Summer Period" shall refer to the months of April, May, June, July, August, September, and October.
- 1.43 "Tender Gas" and "Tender of Gas" shall mean that the delivering party is able and willing, and offers, to deliver gas to the receiving party at the appropriate Point of Receipt or Delivery.
- 1.44 "Transportation" and "Transportation Service" shall mean transportation of Gas by either Forward-haul or Backhaul or any combination thereof.
- 1.45 "Transporter" shall mean Empire Pipeline, Inc.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS (Cont'd.)

- 1.46 "Volume" shall mean the number of units of gas expressed in cubic feet, unless otherwise specified.
- 1.47 "Web Site" shall mean the World Wide Web Site established and maintained by Transporter in accordance with the NAESB Standards and applicable regulations of the Commission requiring Transporter to display information on an Electronic Bulletin Board.
- 1.48 "Web Site User" shall mean a Shipper or other party who accesses the Web Site.
- 1.49 "Winter Period" shall refer to the months of November, December, January, February, and March.
- 1.50 "Year" shall mean a period of 365 consecutive days provided, however, that any year which contains the date "February 29" shall consist of 366 consecutive days.

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FERC Docket: CP06-5-010

Sheet Nos. 106 - 110 Sheet Nos. 106 - 110

SHEET NOS 106 - 110 ARE RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE

2.1 Requests for Service

Shippers requesting new or additional service under any rate schedule must provide the information required by this Subsection 2.1 and on Transporter's "Service Request Form" (available on Transporter's Web Site). No service will be scheduled for receipt and delivery until a completed "Service Request Form" with respect to such service has been provided to Transporter. A "Service Request Form" shall be tendered no earlier than ninety days prior to the proposed commencement date of service, unless the construction of new facilities is required, unless the request is for capacity that will not be available until the proposed commencement date or unless the request is for capacity posted by Transporter pursuant to Section 14 of the General Terms and Conditions of this tariff. All completed "Service Request Forms" are to be sent to:

Empire Pipeline, Inc.
6363 Main Street, 1st Floor
Williamsville, New York 14221
Fax No. (716) 857-7648
Attention: Empire Contract Administration Department

Any modification of an existing service shall be requested by Shipper's submission of a new "Service Request Form" with a notation on the Form that the service requested is a modification of an existing service.

Any request shall include the following:

- (a) Receipt/Delivery Points: The requested receipt and delivery points as set forth in the applicable rate schedule,
- (b) Quantities: The requested quantities, as set forth in the applicable rate schedule.
- (c) Term: The proposed commencement date and term of service.

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

- (d) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence, that Shipper will have good title or, where a waiver of the Commission's shipper-must-have-title policy is applicable, the right to deliver the gas to be delivered to Transporter, and if the transportation service is to be provided pursuant to Section Subpart 284B of the Commission's regulations, certification including sufficient information to verify that Shipper's transportation service qualifies under Section 311(a) of the Natural Gas Policy Act. Such certification shall include a statement by the intrastate pipeline or local distribution company on whose behalf such transportation service is to be performed that:
- (i) The intrastate pipeline or local distribution company has physical custody of and transports the natural gas at some point; or
 - (ii) The intrastate pipeline or local distribution company holds title to the natural gas at some point, which may occur prior to, during, or after the time that the gas is being transported by the interstate pipeline, for a purpose related to its status and function as an intrastate pipeline or a local distribution company; or
 - (iii) The gas is delivered at some point to a customer that either is located in a local distribution company's service area or is physically able to receive direct deliveries of gas from an intrastate pipeline, and that local distribution company or intrastate pipeline certifies that it is on its behalf that the interstate pipeline is providing transportation service.
- (e) Facilities: Identification and location of any facilities proposed to be constructed or installed by any party affected by the proposed transportation service, including, but not limited to, equipment sufficient to provide Transporter with real time measurement, communication and control capability.

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

- (f) Credit Evaluation: The information specified in Section 2.2, as requested by Transporter.

2.2 Credit Evaluation

(a) Credit and Financial Information

Upon Transporter's request, a Shipper seeking or utilizing service from Transporter must provide, to the extent such information is in Shipper's possession, the information required by this Subsection 2.2 and on Transporter's "credit application" (available on Transporter's Web Site):

- (i) a copy of Shipper's audited financial statements for the previous two (2) fiscal year ends with an attestation by the Chief Financial Officer or President of the Shipper (which attestation shall state that such financial statements fairly present the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) or for non-U.S. based Shippers, prepared in accordance with equivalent standards;
- (ii) interim financial statements for the most recent quarter end, if it is over one-hundred twenty (120) days since the Shipper's fiscal year end, which may be unaudited, but if unaudited, must be signed and attested by Shipper's Chief Financial Officer or President (which attestation shall state that such financial statements fairly present the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with GAAP or, for non-U.S. based Shippers, prepared in accordance with equivalent standards;
- (iii) a certificate of incorporation (or equivalent) and a statement of the legal composition of the business; i.e. corporation, limited partnership, limited liability company, etc.;

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

- (iv) a description of the business, including a statement as to the length of time the Shipper has been operating and its principal officers;
- (v) a list of owners and/or shareholders of Shipper, and their ownership interests, if privately held;
- (vi) a list of related entities including Shipper's affiliate(s), parent(s) and subsidiaries;
- (vii) bank references and at least two (2) trade references;
- (viii) a written statement confirming that Shipper is not operating under any chapter of the bankruptcy laws, subject to liquidation or debt reduction procedures under state laws, such as assignment for the benefit of creditors, or any informal creditors' committee agreement, or considering the possibility of bankruptcy protection (or for non-U.S. based Shippers, an equivalent proceeding);
- (ix) D-U-N-S® number, or in the case of a sole proprietorship or general partnership comprised of individuals, social security number(s) of principal(s);
- (x) any other information that is relevant to Shipper's current and future financial strength. Shipper shall have a continuing obligation to provide Transporter with updated information regarding any change to Shipper's organizational structure, such as, but not limited to, a change in its name, ownership, or legal composition, and any material adverse change to its financial condition.

(b) Criteria for Creditworthiness Determination

Acceptance of a Shipper's request for service and the continuation of service are contingent upon the Shipper satisfying, on an on-going basis, a credit evaluation by Transporter.

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First Revised Sheet No. 115 First Revised Sheet No. 115
Superseding: Original Sheet No. 115

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2. QUALIFICATION FOR SERVICE (Cont'd.)

Transporter shall apply consistent evaluation practices to all similarly situated Shippers to determine the Shipper's financial ability to satisfy the payment obligations due to Transporter over the term of the requested service agreement.

Transporter's credit evaluation procedures will result in the establishment of a credit limit on a standardized nondiscriminatory basis for each Shipper. The total amount owed Transporter by Shipper for transportation, including without limitation the value of imbalance gas shall not exceed the credit limit established for such Shipper.

A Shipper will be deemed creditworthy if (i) its lowest designated rating from three major credit reporting agencies remains at least two (2) levels above non-investment grade (i.e. Senior Unsecured credit rating is no lower than Baa2 as determined by Moody's Investor Service, Inc. ("Moody's"), Senior Unsecured credit rating is no lower than "BBB" as determined by Fitch, Inc. ("Fitch"), Long Term Local Issuer credit rating is no lower than BBB as determined by Standard & Poor's Corporation ("S&P"), and (ii) its long term Outlook opinion is no worse than "Stable" (from Moody's, Fitch or S&P) and (iii) the sum of three months of reservation charges, commodity charges and any other associated charges is less than seven percent (7%) of Shipper's tangible net worth; provided, however, that where the service request by Shipper would require the construction of facilities by Transporter, the sum of reservation charges, commodity charges and other associated charges for a term determined by Transporter on a non-discriminatory basis must be less than seven percent (7%) of Shipper's tangible net worth. As used herein, tangible net worth shall be the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs and other intangible assets. If the Shipper has multiple service agreements with Transporter, then its obligations under all such service agreements shall be considered in determining creditworthiness.

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

If Shipper does not meet the criteria described above then Transporter may evaluate Shipper's creditworthiness based upon the following information and credit criteria:

- (i) any information furnished pursuant to Section 2.2(a) (i) - (x) above;
- (ii) S&P, Moody's, and Fitch's opinions, watch alerts, and rating actions, news reports, and industry publications;
- (iii) whether Shipper is operating under any chapter of the bankruptcy laws and/or subject to liquidation or debt reduction procedures under state laws;
- (iv) whether Shipper is subject to any lawsuits or judgments outstanding which would seriously reflect upon its ability to remain solvent;
- (v) whether the financial condition of any affiliate or subsidiary of Shipper or Shipper's parent could adversely affect Shipper's ability to pay for services;
- (vi) the amount of debt the Shipper or its parent, if the parent is guarantying its performance, has coming due within the term of the requested service agreement;
- (vii) Shipper's ongoing business relationship with Transporter, if any, consideration being given to delinquent balances being outstanding for services rendered, and payment of its prior invoices from Transporter according to Section 7 of Transporter's tariff;
- (viii) whether there have been any material changes in the Shipper's use of services or creation of imbalances;

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

- (ix) the nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers;
 - (x) any other information obtained that is relevant to Shipper's current and future financial strength.
 - (xi) Consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
 - (xii) Results of bank and trade reference checks and credit reports must demonstrate that a Shipper is paying its obligations in a timely manner.
- (c) Transporter may, either upon the request for service or at any future time after initiation of service, as Transporter deems necessary, conduct ongoing credit evaluations of Shipper. Shipper shall furnish the information in Sections 2.1 and 2.2 above, within three (3) Business Days of Transporter's request.

If Transporter determines that a Shipper is non-creditworthy based upon Transporter's credit evaluation, Transporter will provide Shipper with written notification including the reason(s) for its determination. Transporter shall not be required to commence or to continue service under any rate schedule on behalf of any Shipper who is or has become non-creditworthy or who, at Transporter's request fails to demonstrate creditworthiness and loses its creditworthiness

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

status, unless Shipper complies with Transporter's security requirements. A Shipper that loses its creditworthiness status may continue service by providing an advance payment of an amount equal to one month's charges for services, and satisfying the requirements of Section 2.2(e) within thirty (30) days of the date of the notice.

(d) Transporter also reserves the right, on an on-going basis, to limit Shipper's service to a level that is commensurate with Shipper's credit limit.

(e) Security Requirements

(i) A non-creditworthy Shipper may receive service if Shipper prepays for such service, pursuant to a pre-payment agreement, or provides Transporter, with adequate security

A) in the form of:

- 1) a grant to Transporter of a security interest in the form of cash collateral; or
- 2) an irrevocable stand-by letter of credit, satisfactory in form and substance to Transporter, from a bank or other financial institution acceptable to Transporter; and

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

- B) for value equal to:
 - 1) For firm service agreements, security shall be based upon an amount equal to the revenues for three (3) months of the full Maximum Daily Quantity; or
 - 2) For interruptible service contracts, security shall be based upon the Shipper's anticipated usage for a three (3) month period as determined by the Shipper and Transporter's marketing representative, which shall determine the Shipper's credit limit for purposes of Subsection 2.2(d);
 - 3) Transporter has the right to seek additional security to cover the value of any potential imbalance owed Transporter by a non-creditworthy Shipper. Such imbalances shall be valued at the sum of (A) The Midpoint Average for the Niagara price point for the current month, as reported in Platt's Gas Daily Price Guide and (B) the difference obtained by subtracting (i) the NYMEX futures closing price for the current month, from (ii) the highest futures price reported by NYMEX for deliveries within any of the subsequent twelve (12) months. For a non-creditworthy new Shipper, the security shall be based upon an amount of two (2%) percent of the Shipper's maximum daily quantity for a three (3) month period. For a non-creditworthy existing Shipper, the security shall be based upon an amount equal to three (3) times the largest cumulative monthly imbalance owed to Transporter over the most recent twelve (12) month period; or

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2. QUALIFICATION FOR SERVICE (Cont'd.)

- C) as an alternative to (A) and (B), in a form and of a value mutually agreeable to Transporter and Shipper.
- (ii) Should a non-creditworthy Shipper desire to earn interest on cash collateral required pursuant to the terms and conditions hereof, a non-creditworthy Shipper shall provide written notice thereof to Transporter. Where Transporter receives such notice, Transporter will pay interest, less any bank fees, on the amount of cash collateral received. The interest rate shall be equal to the actual rate earned by Transporter for any time period that such cash collateral is on deposit. Shipper shall not be entitled to earn interest on advance payments.
- (iii) In the event that Shipper has failed to provide adequate security as provided herein or to pay any nondisputed obligations, the Transporter can take title, at no cost, to any payments owed Shipper by Transporter, up to the amount of any unpaid, non-disputed obligations the Shipper owes Transporter.
- (f) New Facilities. Notwithstanding anything to the contrary in this Tariff, if the service requested by Shipper would require the construction of lateral or other non-mainline facilities by Transporter, Transporter may require (i) of a non-creditworthy Shipper, security for a value up to the cost of such facilities, with respect to Shipper's reimbursement obligations under Section 11.1 (if any) and, in addition to any security required by Subsection 2.2(e), Shipper's obligations under its service agreement, and (ii) of a creditworthy Shipper, a commitment to provide the security identified in clause (i) of this Subsection 2.2(f) in the event Shipper becomes non-creditworthy. In no event shall the amount of the security exceed the cost of the facilities, and in the event facilities are to be constructed to accommodate more than one shipper, such amount shall not exceed the cost of the facilities allocable to Shipper. This tariff does not govern the security requirements applicable to mainline facility projects.

GENERAL TERMS AND CONDITIONS

2. QUALIFICATION FOR SERVICE (Cont'd.)

2.3 Evaluation of Requests for Service

Upon Transporter's determination that Shipper's request for service is complete, Transporter will enter such request on a list of pending complete requests and so notify Shipper. Subject to Sections 12, 14 and 15 of these General Terms and Conditions, Transporter will evaluate its ability to satisfy complete requests for transportation in their order of entry on such list, provided, however, that Transporter shall have no obligation to evaluate a request for service that is contingent upon Transporter's agreement to a discounted rate unless and until such discount request is granted by Transporter. Transporter shall process requests for service within a reasonable period of time. If Transporter rejects a request for service which has been entered on Transporter's list of pending complete requests, Transporter will so notify Shipper within one (1) Business Day of such rejection. In such event, Shipper's request for service will not remain entered on such a list.

A Service Agreement (or, when tendered by Transporter in response to a request for firm service that requires the construction of facilities, a precedent agreement) shall be executed by Shipper and Transporter following Transporter's acceptance in writing of Shipper's request for service. Subject to Section 14 of the General Terms and Conditions of this tariff, in the event the Service Agreement or precedent agreement is not executed by Shipper and returned within thirty days after Transporter tendered the contract, Transporter shall consider the request for service invalid.

GENERAL TERMS AND CONDITIONS

3. TRANSPORTATION SERVICE

3.1 Operating Tolerances. It is recognized that the parties will be unable to control exactly the quantities of Gas delivered and accepted hereunder on any Day, and that the actual quantities received by Transporter may vary above or below the actual quantities delivered on any Day. Such variations shall be considered imbalances, shall be kept to the minimum permitted by operating conditions and shall be balanced as soon as practicable but, unless otherwise agreed by Shipper and Transporter, shall not exceed a daily variation of two percent (2%) of the actual deliveries. When necessitated by adverse operating conditions, and to the extent necessary to alleviate such conditions, Transporter may require Shipper to provide or take delivery of Gas to rectify an imbalance, subject to the provisions of Section 16 of these General Terms and Conditions. Transporter may allow a greater variation, and/or may adjust receipts or deliveries of gas hereunder, if it determines that it can do so to achieve elimination of previous imbalances without adverse effect on Transporter's operations or its ability to meet all its other obligations, including lower priority service: provided, however, Transporter shall have the right to adjust flows to Shipper to keep actual flows within the two percent (2%) tolerance if Transporter deems such action necessary to protect the operational integrity of the system. Transporter shall notify Shipper (orally, followed by written confirmation to be delivered by facsimile or Internet e-mail) as promptly as feasible if Transporter is unable to allow a variation as described in this Section 3.1. Waiver of the two percent (2%) imbalance tolerance by Transporter pursuant to this paragraph shall be done on a not unduly discriminatory basis. If a monthly allocation statement provided by Transporter to Shipper shows an imbalance owed to or by Transporter as of the end of the prior month ("Activity Month"), the parties shall adjust the receipts and deliveries of Gas as soon as practicable, (but not later than the end of the month following the Activity Month), and without limitation to Transporter's rights set forth above, to balance any excess or delivery in order for Shipper to receive Equivalent Quantities.

If Shipper has caused an imbalance without the consent of Transporter pursuant to the preceding paragraph, penalty charges may be applicable to daily imbalances, pursuant to Section 4.7

GENERAL TERMS AND CONDITIONS

3. TRANSPORTATION SERVICE (Cont'd.)

of these General Terms and Conditions, in addition to other remedies under law. If Transporter adjusts flows to Shipper as described in the preceding paragraph or operational integrity is not otherwise threatened, then no penalty will be imposed. It shall be the responsibility of Shipper to monitor and adjust deliveries of gas to Transporter and receipts of gas from Transporter, to match nominated volumes.

3.2 Treatment of Gas. Transporter may subject or permit the subjection of said Gas to compression, cooling, cleaning, or other processes to such extent as may be required for its transmission from the Point(s) of Receipt to the Point(s) of Delivery.

3.3 Limitation of Serving.

- (a) A Shipper which fails to comply with any of the terms of the Agreement, including the applicable rate schedule and these General Terms and Conditions, where such failure of compliance threatens the Integrity of Transporter's system, shall have transportation service suspended, upon written notice, (which may include notice by facsimile or Internet email) for a period of up to thirty (30) days, during which the failure shall be corrected to the satisfaction of Transporter. If Shipper fails to correct such failure within that thirty (30) day period, Shipper shall be deemed to have consented to termination of such Agreement and abandonment of service. Written notice of any termination and abandonment shall be given to Shipper at least seventy-two (72) hours before such termination and abandonment, and shall include an adequate explanation.
- (b) A Shipper which otherwise fails to comply with any of the terms of the Agreement, including the applicable rate schedule and these General Terms and Conditions, shall be given written notice of its failure to comply and if, after 30 days from such notice fails to rectify its non compliance, shall be deemed to have consented to termination of such Agreement and abandonment of service. Written notice of any termination and abandonment shall be given to Shipper at least seventy-two (72) hours before such termination and abandonment and shall include an adequate explanation.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION

4.1 Nominations.

Upon Transporter's acceptance of Shipper's Service Request and Transporter's and Shipper's execution of a service agreement, or, upon the acceptance of a capacity release award by a Replacement Shipper pursuant to Section 12.6 of these General Terms and Conditions, Shipper shall be entitled to make nominations for transportation service, as provided herein.

No transportation service will commence unless and until Transporter has received a completed "Customer Nomination" and Shipper has been advised by Transporter that the service may commence. All timely and intra-day nominations for transportation service shall be made via EDM unless otherwise agreed to by Transporter. Transporter shall not be required to accept any purported nomination received via mail, written notice, courier service, personal delivery or telephone.

The completed Customer Nomination shall include a notation indicating whether it is submitted as a timely or intra-day nomination. The standard quantity for nominations, confirmations and scheduling shall be dekatherms per day. A nomination requesting modifications to an existing nomination need reflect only the proposed changes and the proposed effective date and time.

Transporter will support a seven-day-a-week, twenty-four-hours-a-day nomination process. It is recognized that the success of seven days a week, twenty four-hour a day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites, but should be available by telephone or beeper.

The timeline and other applicable procedures for the submission, validation and confirmation of timely and intra-day nominations shall be as specified in the NAESB Nominations Related Standards.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

- (a) Timely Nominations. A "timely nomination" is a nomination for transportation service beginning at the start of a day transmitted and received within the Timely Nomination Cycle specified at NAESB Standard 1.3.2(i).

NAESB Standard 1.3.2(i) provides as follows:

The Timely Nominations Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by the transporter (including from Title Tracking Transfer Service Providers (TTTSPs)); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

A timely nomination may be modified either by a superseding timely nomination or by an intra-day nomination. A timely nomination which is superseded by an intra-day nomination shall, at the conclusion of the day on which the intra-day nomination was in effect, revert to the quantities, locations and end date submitted in the superseded timely nomination. A timely nomination which is superseded by a timely nomination shall, at the conclusion of the end date in the superseding timely nomination, revert to the quantities, locations and end date submitted in the superseded timely nomination.

- (b) Intra-day Nominations. An "intra-day nomination" is a nomination for transportation service transmitted and received within the Evening Nomination Cycle specified at NAESB Standard 1.3.2(ii), the Intraday 1 Nomination Cycle specified at NAESB Standard 1.3.2(iii), or the Intraday 2 Nomination Cycle specified at NAESB Standard 1.3.2(iv).

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

NAESB Standard 1.3.2(ii) provides as follows:

The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the transporter (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow). Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

NAESB Standard 1.3.2(iii) provides as follows:

The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter (including from TTTSPs); 10:30 am to send Quick Response; 1:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on gas day.

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

NAESB Standard 1.3.2(iv) provides as follows:

The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by the transporter (including from TTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

Intra-day nominations will be processed after timely nominations have been scheduled.

Transporter shall not be required to accept an intra-day nomination whose effect would be to reschedule quantities of gas flowing for other Shippers under timely nominations or intra-day nominations from an earlier cycle for that day, subject to the following sentence. An intra-day nomination for firm service utilizing primary firm capacity submitted during the Evening Nomination Cycle or the Intra-day 1 Nomination Cycle will be accepted to the extent that it would not require a rescheduling of quantities of gas flowing for other firm shippers (utilizing primary or secondary firm capacity) under timely nominations or intra-day nominations from an earlier cycle for that day. No intra-day nomination during the Intra-day 1 Nomination Cycle or the Intra-day 2 Nomination Cycle shall be for a quantity that is less than the quantity of gas that has been scheduled to flow on such day prior to the effective time of such intra-day nomination.

Transporter will provide direct notice of bumping (as defined in the NAESB Standards) by one of the following means, to be designated by Shipper: telephone, facsimile, Internet E-mail or direct notification to a Shipper's Internet URL address.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

- (c) Other Nominations. At its option, Transporter may accept nominations which are submitted and received outside the timelines applicable to timely or intra-day nominations, or are not transmitted via EDM, but Transporter shall not be required to comply with the NAESB Nominations Related Standards with respect to such nominations. Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (d) Pooling at Pipeline Interconnections. A Shipper who is delivering gas into Transporter's system from more than one contract on an interconnecting pipeline at a single receipt point may request the creation of a pool of gas at that point by submitting to Transporter in writing on or before 9:00 a.m. central clock time on the 20th day of the month preceding the desired effective date, a Pool Operator Confirmation signed by Shipper and, if different, by the proposed pool operator. Pools will be established for a month and shall continue from month-to-month thereafter until terminated by the pool operator or by Transporter by notice at least ten days before the effective date of termination. Shippers shall nominate from the pool instead of from the individual upstream contracts within the pool. The pool operator shall confirm nominations to and from the pool with Transporter.
- (e) Title Transfer Nominations.
 - (i) Subject to the provisions of this Section 4.1, including but not limited to the provisions of this Subsection 4.1(e), and the NAESB Nominations Related Standards, Transporter shall accept and process nominations from Title Tracking Parties for title transfer tracking ("TTT Noms") related to transportation nominations with Transporter at physical points of receipt into Transporter's system and pooling points established under Subsections 4.1(d). To become a Title Transfer Party, a party must request and execute a Title Transfer Tracking Nominations Processing Agreement in the form set forth on Sheet Nos. 500 - 502. Any Title Transfer Tracking

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

Service Provider, as defined in the NAESB Standards ("TTTSP"), or any party with an effective transportation agreement, Operational Balancing Agreement, or Interconnection Agreement with Transporter may request a Title Transfer Tracking Nominations Processing Agreement for execution. If a Title Transfer Party wishes to designate an agent (for example, a TTTSP) for the purpose of processing TTT Noms on its behalf, it must execute the agent designation form available on Transporter's Web Site. Transporter will, on a non-discriminatory basis, negotiate and enter into agreements with TTTSP's which define the terms and conditions applicable to the processing of TTT Noms submitted by the TTTSP.

- (ii) Each TTT Nom must be made using Transporter's standard nomination form incorporating NAESB approved data sets, and shall include the following information:
 - (1) Identity of the party transferring title ("Title Transferor");
 - (2) Identity of the party receiving title ("Title Transferee");
 - (3) The date and time of the transfer;
 - (4) The receipt point or pool on Transporter's system to be utilized as the location of the transfer;
 - (5) The quantity to be transferred; and
 - (6) Upstream and downstream contract information required for confirmation.

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

- (iii) By submitting a TTT Nom to Transporter, Title Transfer Party represents that Transporter may assume, for purposes of processing the nomination(s) for the transportation of the quantity of gas covered by the TTT Nom, that title to such quantity of gas, or such lesser quantity as is consistent with the related nominations and the confirmations received by Transporter, will be transferred from the Title Transferor to the Title Transferee at the time of the flow of the related transportation nomination(s).
- (iv) A TTT Nom will be acknowledged by Transporter only if each related transportation nomination is confirmed by all Confirming Parties and scheduled by Transporter for the quantity of gas so nominated or such lesser quantity as is confirmed by all Confirming Parties and by all corresponding TTT Noms.
- (v) By communicating its acknowledgment of a TTT Nom, Transporter represents only that it has processed the related transportation nomination(s) upon the assumption that title to the quantity of gas specified in the TTT Nom, or such lesser quantity as is confirmed by all parties identified in Subsection 4.1(e)(iv) and indicated to Title Transferor in such acknowledgment, will be transferred by the Title Transferor to the Title Transferee set forth in the TTT Nom at the time of the flow of such related transportation nomination(s). Transporter shall have no duty of inquiry, and makes no warranties or representations and assumes no obligations, regarding the ownership of the gas covered by a TTT Nom, the creditworthiness of any Title Transferor or Title Transferee, the existence or terms of any agreement between any Title Transferor or Title Transferee, compliance by any Title Transferor or Title Transferee with applicable laws and regulations, or otherwise.

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

- (vi) Regardless of the acknowledgment by Transporter of any TTT Nom related to a transportation nomination confirmed by Transporter, the Shipper making such transportation nomination shall remain responsible for all its obligations under its service agreement(s) and this tariff, including, without limitation:
 - (1) the resolution of all imbalances arising under its service agreement(s), including, without limitation, imbalances resulting from differences between the scheduled and actual flows of gas at the receipt point(s) for which related TTT Noms were acknowledged;
 - (2) the payment of any imbalance penalties under Section 4.7 or penalties under Section 10 of these General Terms and Conditions or overrun charges under the applicable rate schedule(s);
 - (3) warranty of title and indemnification obligations set forth in Section 28 of these General Terms and Conditions; and

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

- (4) gas quality provisions set forth at Section 6 of these General Terms and Conditions.
- (vii) Receipts of gas at a receipt point for which TTT Noms have been acknowledged by Transporter will be allocated among shippers pro rata based upon confirmed nominations in the absence of a single Pre-Determined Allocation Methodology applicable to all shippers delivering gas to Transporter at such receipt point.
- (viii) The processing of TTT Noms as set forth herein shall be performed at no charge by Transporter.
- (ix) With respect to title transfer transactions, the provisions of Section 28 of these General Terms and Conditions, applicable to "Shipper" or to a "party" shall be applicable to Title Transfer Parties, and the provisions therein applicable to "Transporter" or to a "party" shall be applicable to Transporter.

4.2 Scheduling of Transportation and Allocation of Capacity. When deemed necessary by Transporter, Transporter may require confirmation from any upstream or downstream party that scheduled receipts and deliveries will occur prior to scheduling receipts and deliveries on its system. Transporter may decline to schedule receipts and deliveries through segments of its system if such action is required in Transporter's judgment by weather or the necessity to conduct maintenance, repair or replacement activities with regard to its facilities, to schedule Department of Transportation compliance activities, to install taps, to test operational equipment, compressors or compressor station equipment, or similar activities affecting capacity and operations of portions of its system, or as a result of conditions of force majeure, as described at Section 28.6 of these General Terms and Conditions. Transporter shall schedule receipts and deliveries of gas for shippers in a sequence that is the reverse of the order in which capacity is curtailed pursuant to Section 9 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)
- 4.3 Delivery of Gas. Transporter, subject to the other provisions hereof, shall make daily delivery, to the extent practicable, of Equivalent Quantities of Gas at the Point(s) of Delivery after making adjustment for any prior imbalances in deliveries.
- 4.4 Allocation to Agreements. Unless otherwise agreed to by Transporter, Shipper, and the person to which Transporter physically delivers the Gas, when Gas is delivered on any day at a single Point of Delivery, or received on any Day at a single Point of Receipt, pursuant to more than one agreement, such deliveries shall be allocated to the various Agreements pro rata based on Confirmed Nominations for such services performed under all service classifications.
- 4.5 Hourly Variation. Receipts and deliveries shall be made at uniform hourly rates to the extent practicable, or as required by Transporter to protect the integrity of its system, provided, however, that Shipper shall not, without Transporter's consent, take delivery of such gas at an hourly rate in excess of five percent (5%) of Shipper's Maximum Daily Quantity, and provided further that the hourly deliveries during any Day shall be subject to each of the following limitations:
- (i) Deliveries during any period of three (3) consecutive hours shall not exceed 14.47% of Shipper's Maximum Daily Quantity;
 - (ii) Deliveries during any period of five (5) consecutive hours shall not exceed 23.45% of Shipper's Maximum Daily Quantity;
 - (iii) Deliveries during any period of twelve (12) consecutive hours shall not exceed 52.08% of Shipper's Maximum Daily Quantity; and
 - (iv) Deliveries during any hour shall not exceed 100% of Shipper's Confirmed Nomination.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

4.6 Limitation on Obligation. Should the quantities of Gas received from Shipper(s) by Transporter at the Point(s) of Receipt exceed the Confirmed Nomination, Transporter shall notify Shipper of such fact, a reasonable time after such becomes known, and Shipper shall seek to reduce deliveries to Transporter forthwith to the extent necessary to avoid or eliminate any resulting imbalance. Transporter may attempt to transport the Gas received, as provided in the applicable Service Classification. In the event any such excess delivery would jeopardize the safety of Transporter's operations and/or its ability to meet its contract commitments to others, such decisions being within the reasonable judgment and discretion of Transporter, Transporter shall have the right to refuse to accept, without any liability to Shipper or any other person, all or such part of said excess delivery as Transporter deems necessary, and shall notify Shipper accordingly as soon as feasible.

4.7 Daily Imbalance Penalty: Daily Imbalance Penalties shall be paid for each Dth of Gas by which the aggregate quantity of Gas scheduled for delivery by Transporter to Shipper in a Day exceeds by two percent (2%), or is less by two percent (2%) than, the total of Dth's delivered to Shipper during such Day, after eliminating any portion of such difference which is caused by action of Transporter. Such penalty charges shall be:

variations	> 2%	= 4%	\$ 5.00 per Dth
variations	> 4%	= 5%	\$10.00 per Dth
variations	> 5%		\$15.00 per Dth

Transporter shall not charge a Daily Imbalance Penalty if Transporter has allowed the imbalance to occur pursuant to Section 3.1 of these General Terms and Conditions.

Transporter will waive the Daily Imbalance Charge if in Transporter's reasonable judgment, Shipper's actions have not jeopardized Transporter's ability to operate its system or impaired Transporter's ability to meet its other service obligations. Penalties or waivers of penalties will be applied in a not unduly discriminatory basis.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

4.8 Imbalance Resolution.

- (a) A Shipper may elect to resolve imbalances either "in kind" or by "cash-out". This election must be made by submitting a completed and signed "Imbalance Resolution Methodology Form", in the form appearing on Transporter's Web Site. Any Shipper not submitting that form will be deemed to have elected to resolve imbalances via cash-out. All imbalances on all of Shipper's contracts must be resolved using the same methodology. The election of methodologies must be made at or before the earliest time a nomination is required to be submitted under any of Shipper's contracts for the first day of the month. Such election will remain in effect until revised by Shipper with the submission of a new Imbalance Resolution Methodology Form, effective the first day of the following month. A Shipper may change its election as often as once a month; provided that a change in methodology will have no effect on the resolution of imbalances that arise prior to its effective date. If a Shipper does not submit a nomination for the transportation of gas during a calendar month, its imbalance as of the end of the month shall be subject to "cash-out" resolution, whether it elected "in kind" or "cash-out" resolution of imbalances. A shipper may use the Park and Loan services of third-parties to resolve imbalances hereunder. For purposes of imbalance resolution, imbalances under all service agreements in effect for a single shipper will be set off against each other to arrive at a single cumulative imbalance.
- (b) Shipper Imbalance Exchange. Shippers who agree to all the terms of Transporter's Imbalance Exchange, will be allowed to exchange imbalances with other such Shippers on such exchange. Transporter will post a participating Shipper's imbalance information on the Shipper Imbalance Exchange portion of Transporter's Web Site or, upon receipt of a written request, will make the information available to a participant in written form. Transporter will have

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

applicable information posted by the tenth Business Day of the month following the activity month. Shippers desiring to trade imbalances must present Transporter with a request for transfer (via E-mail or in writing). A request must be received by Transporter from all Shippers involved in an imbalance exchange, either via Transporter's E-mail or otherwise in writing. No Shipper may accumulate balances for the purpose of resolving other Shippers' imbalances. For purposes of determining the applicable quantities subject to cash-out under Section 4.9 hereof, imbalance trades that are evidenced by requests received by Transporter on or before the end of the calendar month following the activity month shall be recognized in the calculation of the Cumulative Monthly Imbalance for the activity month.

4.9 Cash-Out of Imbalances. If a Shipper that has elected or is otherwise subject to "cash-out" resolution of imbalances has a cumulative imbalance as of the end of a month, and such imbalance has not been eliminated by the shipper by the end of the following month, that Shipper's entire cumulative imbalance shall be cashed-out as described in this Section 4.9.

(a) Clearing of negative imbalances. Should such imbalance be negative, the imbalance shall be subject to Negative Imbalance Cash-Out.

The Negative Imbalance Cash-Out Price is a price per Dth which is applied to the amount of the Shipper's negative imbalance. Shipper's regular invoice for transportation services will include the money owed by Shipper under this Negative Imbalance Cash-Out, which will be subject to all payment and collection requirements applicable to that bill. Upon receipt of payment, Transporter will make gas accounting entries reducing the amount of Shipper's negative imbalance accordingly.

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

Transporter shall post the Negative Imbalance Cash-Out Price for each month on its Web Site. The Negative Imbalance Cash-Out Price shall be equal to one hundred ten percent (110%) of the following index (the "Index"):

The Midpoint Average for the Niagara price point for the month during which the imbalance arose, as reported in Platt's Gas Daily Price Guide.

- (b) Clearing of Positive Imbalances. Should such imbalance be positive, the imbalance shall be subject to Positive Imbalance Cash-Out.

The Positive Imbalance Cash-Out Price is a price per Dth which is applied to the amount of the Shipper's positive imbalance. Transporter will refund, credit or otherwise pay to Shipper the Positive Imbalance Cash-Out Price in return for Transporter's retaining the positive imbalance quantities at no further cost to Transporter, free and clear of any claims by any adverse party including Shipper. Shipper's regular invoice for transportation services will include a credit or refund for the money owed to Shipper under this Positive Imbalance Cash-Out. Upon sending that invoice, Transporter will make gas accounting entries reducing the amount of Shipper's positive imbalance accordingly. Transporter shall post the Positive Imbalance Cash-Out Price for each month on its Web Site.

The Positive Imbalance Cash-Out Price shall be equal to ninety percent (90%) of the Index as defined in Section 4.9 (a) hereof.

- (c) Transporter may, from time to time, purchase Gas for receipt into its system or sell Gas for delivery out of its system in order to balance or maintain the operational integrity of its system. These transactions ("Operational Transactions") may be conducted on a first-come, first-served basis at posted prices, or pursuant to an open auction or electronic gas trading system, or negotiated directly with third

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

parties. The receipt or delivery point for all Operational Transactions shall be the interconnection between Transporter's system and the facilities of TransCanada Gas Pipelines, Ltd., at Chippawa, Ontario.

- (d) Crediting of Cash-Out and Operational Transaction Revenues in Excess of Costs. For purposes of this Subsection 4.9 (d), an "Annual Billing Period" shall be the twelve month period commencing each April and ending the following March 31. Subsequent to the end of each Annual Billing Period, Transporter shall compare (i) the revenues received by Transporter under the cash-out procedures and revenues from Operational Transactions with (ii) the costs incurred by Transporter under such cash-out procedures, and costs incurred in Operational Transactions. If the revenues received exceed the costs incurred, then Transporter shall credit, within 60 days of the end of the Annual Billing Period, the net overrecoveries to FT Shippers on a pro rata basis in accordance with the transportation volumes Transporter has delivered to each such Shipper during the Annual Billing Period. Such refund may be accomplished by a credit payment or a credit against any amounts owed by Shipper to Transporter and in either case shall be accompanied by an accounting showing the basis for the credit. If the revenues received are less than the costs incurred, then Transporter shall carry forward the net underrecoveries to the subsequent Annual Billing Period and may offset such net underrecoveries against any future net overrecoveries that may occur in a subsequent Annual Billing Period.

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4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

4.10 Balancing at Contract Termination. Following the termination of one or more transportation service agreements, and unless one or more other service agreements remain in effect following such termination, Shipper shall be required to resolve any cumulative imbalance within thirty (30) days after the effective date of termination, or within such longer period of time mutually agreed upon by Shipper and Transporter.

If after such balancing period, Transporter determines that a negative imbalance remains, such imbalance shall be cleared in accordance with Section 4.9(a) of these General Terms and Conditions.

If after such balancing period, Transporter determines that a positive imbalance remains, such imbalance shall be cleared in accordance with Section 4.9(b) of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING AND ALLOCATION (Cont'd.)

4.11 Service Agreement Administration. In the event that Shipper does not nominate or utilize its Service Agreement under Rate Schedule IT for a period of six (6) Months, Transporter may contact shipper for the purposes of determining Shipper's intent to keep the agreement in place.

If after four (4) such six Month periods during which Shipper has not nominated or utilized its Service Agreement, Transporter may terminate such agreement effective on the first Day of the second Month following the Month in which Transporter gives Shipper notice of such termination.

GENERAL TERMS AND CONDITIONS

5. MEASUREMENT AND MEASUREMENT EQUIPMENT

5.1 (a) The Volume of Gas delivered at the Point(s) of Receipt and at the Point(s) of Delivery shall be measured by one or more of the following:

- (i) An orifice meter, designed, installed, maintained and operated as recommended in the latest issue of American National Standard ANSI/API 2530 (American Gas Association Gas measurement; Report No. 3), entitled "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 3"); or
- (ii) A turbine meter, designed, installed, maintained and operated as recommended in the latest issue of American Gas Association Transmission Measurement Committee Report No. 7, entitled "Measurement of Gas by Turbine Meters", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 7");
- (iii) A positive displacement meter, installed and operated in accordance with generally accepted industry practices; or
- (iv) An ultrasonic meter, installed and operated in accordance with American Gas Association Transmission Measurement Committee Report No. 9, "Measurement of Gas by Multipath Ultrasonic Meters".

(b) Auxiliary measuring equipment shall be installed, maintained and operated in accordance with generally accepted industry practices.

GENERAL TERMS AND CONDITIONS

5. MEASUREMENT AND MEASUREMENT EQUIPMENT (Cont'd.)

5.2 (a) The volume of Gas delivered hereunder at each Point of Receipt and Point of Delivery shall be calculated by means of an electronic flow computer located at, or by the processing of meter charts recorded at, each Point of Receipt or each Point of Delivery, in either case in the following manner:

- (i) When the measuring equipment is an orifice meter, the flow of Gas through the meter shall be computed in the manner recommended in AGA Report No. 3, properly using all factors set forth therein.
- (ii) When the measuring equipment is a turbine meter, the volume of Gas delivered through the meter shall be computed in the manner recommended in AGA Report No. 7, properly using all factors set forth therein.
- (iii) When the measuring equipment is a positive displacement meter, the volume of Gas delivered through the meter shall be computed by properly applying, to the volume delivered at flowing gas pressures and temperatures, correction factors for (1) absolute static pressure, (2) flowing Gas temperature, and (3) compressibility ratio.

(b) The volume of Gas delivered hereunder shall be computed using the standards and factors determined as follows:

- (i) The unit of volume for the purpose of measurement shall be an Mcf of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute. For the purpose of determination of equivalent quantities hereunder, the dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating content of the Gas delivered hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1,000).
- (ii) The average absolute atmospheric (barometric) pressure at each Point of Receipt and each Point of Delivery shall be assumed to be fourteen and four-tenth (14.4) pounds per square inch, irrespective of the actual

GENERAL TERMS AND CONDITIONS

5. MEASUREMENT AND MEASUREMENT EQUIPMENT (Cont'd.)

the actual location or elevation above sea level of the Point of Receipt or Point of Delivery or of variations in actual atmospheric pressure from time to time.

- (iii) The flowing temperature of the Gas shall be determined by means of an instrument of standard manufacture accepted in the industry for this purpose.
- (iv) The supercompressibility factor used in computing the volume of Gas delivered through an orifice meter shall be determined in a manner consistent with the procedure presented in the American Gas Association Transmission Measurement Committee Report No. 8 entitled "Compressibility factors of Natural Gas and Other Related Hydrocarbon Gases."
- (v) The specific gravity of the Gas used in computing the volume of Gas delivered through a meter shall be determined by means of an instrument of standard manufacture accepted in the industry for this purpose installed at a point to measure the specific gravity of the Gas stream from which Gas is being delivered at the Point of Receipt or Point of Delivery.
- (vi) The compressibility ratio factor "s" used in computing the volume of Gas delivered through a turbine meter or a positive displacement meter shall be determined by the equation $s = (Fpv)^2$, in which "(Fpv)" is the supercompressibility factor determined as described in subparagraph (iv) of this subsection (b).
- (vii) In determining the flowing temperature factor, supercompressibility factor, and compressibility ratio factor "s" for use in computing the volume of Gas delivered through a meter, the flowing gas temperature for only the period(s) of time that Gas was flowing through the meter shall be used.

GENERAL TERMS AND CONDITIONS

5. MEASUREMENT AND MEASUREMENT EQUIPMENT (Cont'd.)

- 5.3 All flow, measuring, testing and related equipment shall be of standard manufacture and type approved by Transporter. If applicable, Transporter or Shipper may install check measuring equipment, provided that such equipment shall be so installed as not to interfere with the operations of the operator. Shipper, in the presence of Transporter, shall have access to measuring equipment of Transporter at all reasonable times, and Transporter shall have such access to any measuring equipment of Shipper, in the presence of Shipper, but the reading, calibrating, and adjusting thereof and the changing of charts, if any, shall be done by the operator of the facilities. Transporter or Shipper shall have the right to be present at the time of the installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done by the operator of the measuring equipment. The records from such measuring equipment shall remain the property of the operator, but upon request, the other party may request records, including charts, if any, together with calculations therefrom for inspection, subject to return within thirty (30) Days after receipt thereof. Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas received and delivered.

The accuracy of all measuring equipment shall be verified by operator at reasonable intervals, and if requested, in the presence of representatives of the other party, but neither Transporter nor Shipper shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. If the operator agrees to verification and test of measuring equipment and fails to perform such verification and testing, then the other party shall have the right to cease or temporarily discontinue service under this Agreement relative to such measuring equipment. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses.

GENERAL TERMS AND CONDITIONS

5. MEASUREMENT AND MEASUREMENT EQUIPMENT (Cont'd.)

The operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed receipts or deliveries is not more than two percent (2%), then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds two percent (2%), at a recording corresponding to the average hourly rate, of Gas flow rate for the period since the last preceding test, the previous recordings of such equipment shall be corrected to zero error for any period which known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test.

- 5.4 In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings of receipts or deliveries through such equipment shall be determined as follows; provided, however, that the correction period shall not exceed one (1) year:
- (a) by using the registration of any check meter or meters if installed and accurately registering, or in the absence of (a);
 - (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
 - (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.

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5. MEASUREMENT AND MEASUREMENT EQUIPMENT (Cont'd.)

- 5.5 If at any time during the term hereof, 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 so long as it meets applicable American Gas Association standards or is otherwise acceptable to both parties.
- 5.6 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.

GENERAL TERMS AND CONDITIONS

6. QUALITY

6.1 Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas delivered at each Point of Receipt and Point of Delivery. The Gas at each Point of Receipt shall have a heat content not greater than 1,200 BTU's per cubic foot nor less than 950 BTU's per. Transporter shall have the right to waive such BTU content limits if Transporter is able to accept Gas with a BTU content outside such limits without affecting Transporter's operations. The total heating value per cubic foot of Gas shall be determined at each Point of receipt and each Point of Delivery by one of the following methods:

(a) use of an instrument of standard manufacture installed to measure the heating value of the Gas being delivered at the Point of Receipt or the Point of Delivery.

(b) other methods mutually agreed upon by both parties.

For the purpose of calculating receipts and deliveries, the heat content of the Gas so determined at each such point shall be deemed to remain constant at such point until the next determination. The unit of quantity for the purpose of determining total heating value shall be one (1) cubic foot of Gas on a dry basis at a temperature of sixty degrees (60) Fahrenheit and an absolute pressure of 14.73 psia.

6.2 Freedom from Objectionable Matter. The Gas received and delivered hereunder shall conform to the following criteria:

(a) shall be commercially free from dust or other solid or liquid or gaseous matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Transporter;

(b) shall not contain more than one (1) grain of hydrogen sulfide per one hundred (100) cubic feet of Gas, as determined by methods prescribed in Standards of Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper,

GENERAL TERMS AND CONDITIONS

6. QUALITY (Cont'd.)

moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the Gas for one and one-half (1 1/2) minutes in an apparatus of approved form, through which the Gas is flowing at the rate of approximately five (5) cubic feet per hour, the Gas from the jet not impinging directly upon the test paper; or the H₂S content may be determined by an instrument or approved type and by approved methods agreeable to the parties;

- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of Gas;
- (d) shall not at any time have an oxygen content in excess of one percent (1%) by volume and the parties hereto shall made every reasonable effort to keep the Gas free of oxygen;
- (e) shall not contain as nearly as practicable any free water nor contain more than seven (7) pounds of water vapor per million cubic feet of Gas;
- (f) shall not contain more than two percent (2%) by volume of carbon dioxide;
- (g) shall be delivered at a temperature not in excess of one hundred twenty degrees (120) Fahrenheit or less than forty degrees (40) Fahrenheit.

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6. QUALITY (Cont'd.)

- 6.3 Failure to Meet Specifications. Should any Gas tendered for delivery hereunder fail at any time to conform to any of the specifications of this Article, the affected Party shall notify the other party of any such failure and the affected party may at its option suspend all or a portion of the receipt of any such Gas, and shall be relieved of obligations hereunder for the duration of such time as the Gas does not meet such specifications.
- 6.4 Commingling. It is recognized that Gas delivered by Shipper will be commingled with other Gas transported hereunder by Transporter. Accordingly, the Gas of Shipper shall be subject to such changes in heat content as may result from such commingling and Transporter shall, notwithstanding any other provision herein, be under no obligation to redeliver for Shipper's account, Gas of a heat content identical to that caused to be delivered by Shipper to Transporter.

GENERAL TERMS AND CONDITIONS

7. BILLING AND PAYMENT

- 7.1 Billing. On or before the ninth (9th) Business Day of each Month, Transporter shall render to Shipper a statement of the amount due for the preceding Month under the applicable Rate Schedule(s). In computing the amounts due, Transporter may utilize estimates of the quantity of Gas received from or delivered to Shipper during a Month, in place of actual quantities when actual quantities are not reasonably available; provided that adjustments shall be made in later statement for differences between such estimated and actual quantities.

When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the third (3rd) Day of the Month. Both Transporter and Shipper have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

- 7.2 Payment. Shipper shall pay Transporter by wire transfer of Federal Funds which are made immediately available to Transporter at such bank account as Transporter shall designate, on or before the twenty-fifth (25th) day of the month in which the invoice is received, for all services rendered by Transporter during the preceding billing period, as shown by the invoice, except when the twenty-fifth (25th) day of the month is a Saturday or Sunday or federal bank holiday, in which case payment is due on the following business day. Provided, however, a Shipper whose monthly invoice total amount due is less than \$50,000.00 may elect to make payment by check to be received by Transporter on or before the twenty-fifth (25th). Shipper shall identify each payment with the invoice number specified by Transporter on the invoice to which the payment relates. Transporter, in its sole discretion, reserves the right to waive Shipper's underpayment on a final invoice of an inactive account if the underpayment amount is trivial.

If presentation of an invoice to Shipper is delayed after the ninth (9th) business day of the month, the time of payment shall be extended accordingly by Transporter, unless Shipper is responsible for such delay.

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7. BILLING AND PAYMENT (Cont'd.)

Should Shipper fail to pay all of the amount of any invoice, as herein provided, when such amount is due, interest on the unpaid portion of the invoice shall accrue at the then effective prime interest rate or rate charged by Citibank, N.A. New York, New York, to responsible commercial and industrial borrowers, plus two percentage points. Transporter may suspend service to any Shipper which is delinquent in payments, provided that Transporter shall give Shipper written notice of the delinquency and of Transporter's intent to suspend if the delinquency is not remedied within fifteen (15) days of the date of the notice. During a suspension of service, Shipper shall have no right to submit nominations for transportation service pursuant to Section 4, but a firm shipper may release capacity pursuant to Section 12. A suspended shipper shall be responsible for all charges due under the service agreement; provided however, that for time periods where no release of a suspended Firm Recourse Rate Shipper's capacity is effective, the reservation charge applicable to such shipper shall be reduced by the applicable percentage shown on Sheet No. 6.

Transporter may terminate service to any Shipper which is delinquent in payments, provided Transporter shall give Shipper written notice of the delinquency and of Transporter's intent to curtail or terminate if the delinquency is not rendered within thirty (30) days of the notice and then only upon written notice to the Commission and, if required by the Commission's regulations, authorization by the Commission.

However, if Shipper in good faith shall dispute the amount of any such invoice or part thereof and shall pay to Transporter such amounts as it concedes to be correct, accompanied by documentation identifying the basis for the dispute, and at any

GENERAL TERMS AND CONDITIONS

7. BILLING AND PAYMENT (Cont'd.)

time within thirty (30) days after a demand made by Transporter, shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to suspend or terminate service on account of such disputed claim while so secured, until default be made in the conditions of such bond. Transporter, in its sole discretion, reserves the right to waive trivial interest upon receipt of payment for all outstanding balances, excluding such interest.

- 7.3 Verification and Correction of Errors. Both Transporter and Shipper shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions of the underlying transportation service agreement. If an error is discovered in any invoice or imbalance statement, such error shall be adjusted, provided that the claim of error and request for adjustment shall have been made within six (6) months from the date of such statement. The party receiving a claim of error and request for adjustment shall have three (3) months to rebut such claim, otherwise the statement shall be adjusted as requested. The time limitations set forth in this Section 7.3 shall not apply in the case of deliberate omission or misrepresentation, mutual mistake of fact: Parties' other statutory or contractual rights shall not otherwise be diminished by this section.

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8. LIABILITY IN DAMAGES

Except as otherwise provided in these General Terms and Conditions or Shipper's service agreement, in no event shall Shipper or Transporter be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages, whether or not such damages arise out of breach of contract, negligence, tort, or strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing in this provision will limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages.

GENERAL TERMS AND CONDITIONS

9. CURTAILMENT

Following the scheduling of services, Transporter shall have the right to curtail services on a system-wide basis or segment-by-segment basis (i) as a result of conditions of force majeure, as described at Section 28.6 of these General Terms and Conditions, (ii) when necessary, in Transporter's reasonable judgment, to avert a material threat to the integrity of its system or to remedy an unexpected loss of capacity, or (iii) when continuation of service would impair Transporter's ability to render a service of a higher priority, as set forth in this Section 9. The allocation procedures and priorities set forth in this Section 9 shall apply to both system-wide and segment-by-segment limitations or curtailments, insofar as is possible.

Transporter will allocate capacity in the manner set forth in this Section 9 only to the extent it is reasonably practical to do so.

It is recognized that the allocation of Transporter's capacity may be affected by the capabilities of Transporter's measurement, control and communication equipment, as it exists from time to time, the operational requirements of Transporter or by factors beyond the control of Transporter, including but not limited to variations in the requirements or markets served by Transporter.

In the event of a curtailment of service under this provision, Transporter shall provide such notice as is reasonable under the circumstances.

For purposes of this Section 9, a "discounted rate" shall include a negotiated rate that is less than the maximum rate at the time in question, and for such negotiated rates, a "discount" shall mean the difference between the maximum rate and the negotiated rate at such time.

GENERAL TERMS AND CONDITIONS

9. CURTAILMENT (Cont'd.)

If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including the points at which gas is tendered for transportation or delivered by Transporter, is insufficient to serve all transportation requirements which are otherwise scheduled for such day, capacity which requires allocation shall be allocated in a manner which results in curtailment of capacity, to zero (0) if necessary,

- (A) first, to interruptible and overrun services subject to service agreements specifying a discounted rate, beginning with the service(s) subject to the largest discount(s), and proceeding in reverse order according to the amount of the discount(s), capacity to be allocated pro-rata among equally discounted services;
- (B) second, to remaining quantities scheduled pursuant to Rate Schedule IT and overrun services;
- (C) third, to quantities scheduled within contract quantities at Secondary Points of Receipt or Delivery except as provided in Subsection 9(D);
- (D) fourth to quantities scheduled within contract quantities for Rate Schedule FT at Secondary Points of Receipt or Delivery located within Shipper's transportation path where the direction of the scheduled gas flow is the same as the direction of gas flowing from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery;
- (E) last, to quantities scheduled at primary points within contract quantities for each shipper pursuant to the FT Rate Schedule.

Unless otherwise provided above, available capacity will be allocated to scheduled receipt and deliveries within a category for purpose of this Subsection in proportion to the quantities scheduled by Transporter.

GENERAL TERMS AND CONDITIONS

10. UNAUTHORIZED TENDERS AND RECEIPTS

10.1 Definition

Unauthorized tenders and receipts are amounts of gas delivered to Transporter or taken by Shipper from Transporter:

- (a) in the absence of a transportation service agreement and submission of a nomination pursuant to Section 4.1 of these General Terms and Conditions,
- (b) following an interruption of service by Transporter pursuant to Rate Schedule IT,
- (c) in violation of an Operational Flow Order issued by Transporter to Shipper pursuant to Section 16 of these General Terms and Conditions,
- (d) following a suspension of service pursuant to Section 3.3 or Section 7 of these General Terms and Conditions,
- (e) following a discontinuance or curtailment of service pursuant to Section 9 of these General Terms and Conditions, or
- (f) following a discontinuance, curtailment or termination of service authorized by any other provision of this tariff or agreement executed thereunder.

Unauthorized tenders and receipts also include the following:

- (g) a Shipper's failure to provide Gas to Transporter to rectify an imbalance when required by operating conditions shall constitute an unauthorized receipt of the quantities specified in Transporter's notice pursuant to Section 3.1 of these General Terms and Conditions;
- (h) a Shipper's failure to take delivery of Gas to rectify an imbalance when required by operating conditions shall constitute an unauthorized tender of the quantities specified in Transporter's notice pursuant to Section 3.1 of these General Terms and Conditions;

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10. UNAUTHORIZED TENDERS AND RECEIPTS (Cont'd.)

- (i) receipts of gas that constitute unscheduled overruns of the contract quantities under the service agreement(s) between Shipper and Transporter during the effectiveness of an Operational Flow Order prohibiting such overruns shall constitute an unauthorized receipt of such quantities; and
- (j) the incurrence or aggravation of a daily imbalance subject to a daily imbalance penalty under Section 4.7 while an OFO applicable to Shipper is in effect.

Transporter will provide its Shippers with reasonable notice of any interruption, discontinuance, curtailment or termination of service or of any Operational Flow Orders and Shipper shall be permitted twenty-four (24) hours, or such lesser time as is required to protect the integrity of Transporter's system, to reduce its tenders or receipts in compliance with such notice.

10.2 Disposition of Unauthorized Tenders and Receipts

Transporter shall retain any unauthorized tenders at no cost and free and clear of any adverse claims of any party. Unauthorized receipts by a Shipper shall be treated as an imbalance for purposes of Section 4 of these General Terms and Conditions until such imbalance is cleared.

10.3 Charges Associated with Unauthorized Tenders and Receipts

- (a) If the unauthorized tender or receipt occurs during the effectiveness of a Level 2 OFO, as defined at Section 16.5 of these General Terms and Conditions, and aggravates the condition resulting in the issuance of such OFO, it shall be subject to a charge equal to \$20 per Dth plus the Cost of Gas, as defined below.
- (b) If the unauthorized tender or receipt occurs during the effectiveness of a Level 3 OFO, as defined at Section 16.5 of these General Terms and Conditions, and aggravates the condition resulting in the issuance of such OFO, it shall be subject to a charge equal to \$25 per Dth plus the Cost of Gas, as defined below.
- (c) Otherwise, the unauthorized tender or receipt shall be subject to a charge equal to \$10 per Dth plus the Cost of Gas, as defined below.

GENERAL TERMS AND CONDITIONS

10. UNAUTHORIZED TENDERS AND RECEIPTS (Cont'd.)

- (d) Charges for unauthorized tenders and receipts shall not be assessed if Shipper adjusts its tenders or receipts within the time period applicable to Transporter notice; or if the unauthorized tenders or receipts occurred at an interconnection identified on Transporter's Web Site as a point where Transporter has complete and unrestricted control of gas deliveries.

- (e) Subsequent to each Annual Billing Period, Transporter shall compare the Creditable Penalties, as defined below, attributable to such period, with the Incremental Costs, as defined below, attributable to such period. If such Creditable Penalties exceed such Incremental Costs, Transporter shall credit the difference (hereinafter "Net Creditable Penalties") to its FT shippers in accordance with the following methodology. First, the Net Creditable Penalties will be allocated to each month during the Annual Billing Period in proportion to the Creditable Penalties received by Transporter during such month. Second, for each month during the Annual Billing Period, Net Creditable Penalties allocated to each month shall be credited to FT shippers on a pro rata basis in accordance with the transportation quantities Transporter has delivered to or for the account of each such Shipper during the month, provided, however, in such allocation deliveries to or for the account of any shipper that incurred an Imbalance Penalty under Section 4.7 of these General Terms and Conditions or a Charge for Unauthorized Tenders or Receipts under Section 10.3 hereof within such month shall be deemed to be zero (0) Dth. Transporter shall make credit payments or shall otherwise provide the credit hereunder within 60 days of the end of the Annual Billing Period. Such credit may be accomplished by a credit against any amounts owed by Shipper to Transporter. If Incremental Costs exceed Creditable Penalties with respect to any Annual Billing Period, Transporter shall carry forward the net underrecoveries to the subsequent Annual Billing Period and may offset such net underrecoveries against any future Net Creditable Penalties that may occur in a subsequent Annual Billing Period. For purposes of this section, the term

GENERAL TERMS AND CONDITIONS

10. UNAUTHORIZED TENDERS AND RECEIPTS (Cont'd.)

"Creditable Penalties" shall include the sum of (A) Imbalance Penalties collected by Transporter under Section 4.7 of these General Terms and Conditions; (B) Charges for unauthorized tenders and receipts collected by Transporter under Section 10.3 hereof, and (C) interest on the amounts described in (A) and (B) above accrued on a monthly basis at the then effective prime interest rate (Citibank, N.A., New York, New York). For purposes of this section, the term "Incremental Costs" shall include reasonable costs incurred with respect to transactions with other parties to replace gas or otherwise to respond to operational consequences of the imbalances or events giving rise to Creditable Penalties that are not offset against cash-out revenues under Section 4.9(d) of these General Terms and Conditions, together with interest thereon accrued on a monthly basis at the then effective prime interest rate (Citibank, N.A., New York, New York).

Types of costs that may constitute Incremental Costs hereunder include, but are not limited to, the cost of replacement gas and the cost of services or penalties incurred with respect to other transporters of gas in response to the operational consequences set forth above. Incremental Costs shall not include any allocation of a portion of regular, ongoing expenses of Transporter that would have been incurred irrespective of the imbalances or events giving rise to Creditable Penalties. For purposes of this section, "Annual Billing Period" shall be the period commencing November 1, 2008 and ending March 31, 2009, and thereafter the twelve month period commencing each April 1 and ending the following March 31.

- (f) The payment of a charge for unauthorized tenders or receipts shall not under any circumstances be considered as giving such party the right to make unauthorized tenders or receipts; nor shall such payment foreclose Transporter or any other party from pursuing any available remedy against the offending party for making such unauthorized tenders or receipts.

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GENERAL TERMS AND CONDITIONS

10. UNAUTHORIZED TENDERS AND RECEIPTS (Cont'd.)

- (g) The penalty applicable to a shipper for an unauthorized tender or receipt within the scope of Subsection 10.1(j) shall be reduced by the amount of the daily imbalance penalty assessed to such shipper under Section 4.7 with respect to the imbalance penalized under Subsection 10.1(j).
- (h) For purposes of this Subsection 10.3, the "Cost of Gas" shall mean the sum of (i) midpoint of gas prices at Niagara (NFG, Tenn) as reported in Gas Daily's Daily Price Survey for the day in question and (ii) any penalties billed to Transporter by another pipeline in consequence of the daily imbalance caused by Shipper; provided, however, that if Transporter makes a purchase of gas in direct response to one or more particular daily imbalances, the price at which such gas is purchased, if higher than the index price set forth in clause (i) above, shall apply in lieu of such index price.

10.4 Indemnification and Waiver

Shipper (or Operator, as the case may be) shall indemnify Transporter against, hold it harmless from, and undertake and defense of Transporter with respect to any and all claims, losses, damages, expenses and injuries arising from its unauthorized tender or receipt. Shipper waives any and all claims and demands against Transporter arising from an unauthorized tender or receipt by another Shipper, other than claims based on a Shipper's loss of gas supply due to Transporter's negligence or willful misconduct.

GENERAL TERMS AND CONDITIONS

11. POLICY WITH RESPECT TO CONSTRUCTION OF FACILITIES

- 11.1 Except as provided in Section 11.2 herein, Shipper shall reimburse Transporter (a) for the costs of any facilities installed by Transporter with Shipper's consent to receive, measure, transport or deliver natural gas for Shipper's account and (b) for any and all filings and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due Transporter by Shipper pursuant to this Section 11.2 shall be due and payable to Transporter within ten (10) days of receipt by Shipper of Transporter's bill(s) for same; provided, however, subject to Transporter's consent such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the service agreement between Transporter and Shipper. Carrying charges shall be computed utilizing interest factors acceptable to both Transporter and Shipper.
- 11.2 Transporter may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 11.1 if Transporter concludes that the revenues generated by Shipper's service agreement will be adequate to make construction of the facilities economical to Transporter. Transporter shall post the circumstances under which such waivers are granted on its website. Shipper's service agreement may provide that a waiver of reimbursement hereunder will be rescinded, and Shipper will be obligated to reimburse Transporter for all or a specified portion of the facility cost reimbursement requirement, if, at any time, Transporter determines that Shipper is non-creditworthy, based on criteria no more demanding than those set forth in Section 2.2(b). All requests for waiver shall be handled by Transporter in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Transporter will evaluate projects on the basis of various economic criteria, which will include the estimated transportation throughput, cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenues Transporter estimates will be generated as a result of such construction,

GENERAL TERMS AND CONDITIONS

11. POLICY WITH RESPECT TO CONSTRUCTION OF FACILITIES

- 11.1 Except as provided in Section 11.2 herein, Shipper shall reimburse Transporter (a) for the costs of any facilities installed by Transporter with Shipper's consent to receive, measure, transport or deliver natural gas for Shipper's account and (b) for any and all filings and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the Commission or any other governmental authority having jurisdiction. Any reimbursement due Transporter by Shipper pursuant to this Section 11.2 shall be due and payable to Transporter within ten (10) days of receipt by Shipper of Transporter's bill(s) for same; provided, however, subject to Transporter's consent such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the service agreement between Transporter and Shipper. Carrying charges shall be computed utilizing interest factors acceptable to both Transporter and Shipper.
- 11.2 Transporter may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in Section 11.1 if Transporter concludes that the revenues generated by Shipper's service agreement will be adequate to make construction of the facilities economical to Transporter. Transporter shall post the circumstances under which such waivers are granted on its website. Shipper's service agreement may provide that a waiver of reimbursement hereunder will be rescinded, and Shipper will be obligated to reimburse Transporter for all or a specified portion of the facility cost reimbursement requirement, if, at any time, Transporter determines that Shipper is non-creditworthy, based on criteria no more demanding than those set forth in Section 2.2(b). All requests for waiver shall be handled by Transporter in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Transporter will evaluate projects on the basis of various economic criteria, which will include the estimated transportation throughput, cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, the revenues Transporter estimates will be generated as a result of such construction,

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11. POLICY WITH RESPECT TO CONSTRUCTION OF FACILITIES (Cont'd.)

- (d) In order to properly and prudently design and size the new interconnect, Transporter must be provided with reasonable and reliable data concerning the interconnecting facilities, including delivery pressures, and anticipated hourly, daily, monthly and annual volume levels of the service that supports the new interconnect and such other data as is reasonably required to construct the interconnect facility;
- (e) The new interconnect must not result in any minimum pressure receipt or delivery requirement by Transporter, unless Transporter agrees otherwise, such agreement shall not be unreasonably withheld, and Transporter shall not be responsible for any downstream parties' facilities, the operation or maintenance of such facilities, or the delivery of any unauthorized volumes to the facilities;
- (f) The service supporting the interconnect as well as the construction of the new facilities must conform with the provisions of this tariff as well as applicable regulatory requirements;
- (g) The proposed interconnect must not cause Transporter to be in violation of any applicable environmental or safety laws or regulations with respect to the facilities required to establish an interconnect with Transporter's existing facilities; and
- (h) The proposed interconnect must not cause Transporter to be in violation of its right-of-way agreements or any other contractual obligations with respect to the interconnect facilities.

Transporter will respond to each request for interconnect facilities within sixty (60) days after receiving a written request containing reasonably sufficient and reliable information necessary for Transporter to make a determination pursuant to this Section 11.

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12. CAPACITY RELEASE

This Section 12 sets forth a firm capacity release mechanism pursuant to which Existing Shippers can voluntarily release and assign all or part of their firm capacity rights to a Potential Shipper or a Prearranged Shipper that wants to obtain that firm capacity. Existing Shippers may release and assign their firm capacity on Transporter only under this Section 12 of these General Terms and Conditions. The capacity release timeline set out in this Section 12 is applicable to all parties involved in the capacity release process: however, it is only applicable if (1) all information provided by the parties is valid, (2) and the Replacement or Prearranged Shipper is a qualified pre-approved bidder pursuant to Section 12.4(a) hereof, (3) the Existing Shipper does not request a release from further obligations under its service agreement pursuant to Section 12.7 hereof, and (4) there are no other special terms or conditions of the release, except for terms and conditions pertaining to an asset manager's obligation to deliver gas to, or purchase gas from, the Existing Shipper, pursuant to Section 12.1(a)(xv). Transporter will support volumetric release with volumetric commitments by fully accounting for volumetric and reservation components consistent with the rules and regulations enunciated by the Commission. Transporter will support the upload of prearranged deals and the function of reputting by releasing Shippers.

Except as otherwise specifically provided, written notices described in this Section 12 must be addressed to:

Empire Pipeline, Inc.
Transportation and Exchange Department
Building #5
365 Mineral Springs Road
Buffalo, New York 14210

Notices via facsimile transmission described in this Section 12 must be transmitted to (716) 827-2381.

12.1 Capacity Eligible For Release:

A Shipper under Rate Schedule FT may release its firm capacity in whole or in part, on a permanent or temporary basis, and on a recallable or non-recallable basis. Such Existing Shipper may propose a Prearranged Shipper to obtain its released capacity from Transporter.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

12.2 Notice Required by Existing Shipper:

(a) Notice by Existing Shipper

An Existing Shipper must notify Transporter that it wants to release its capacity and the terms and conditions of such release (hereinafter called "Shipper's Notice"). Such Shipper's Notice may be communicated via written notice, facsimile transmission or via Transporter's Web Site. Notices of prearranged deals may be transmitted via EDM. Transporter will support the function of reputting by releasing Shippers. Such Shipper's Notice shall provide the terms and conditions of the release as follows:

- (i) on a permanent or temporary basis;
- (ii) on a recallable or non-recallable basis, and if recallable by Shipper under Rate Schedule FT, whether the capacity is recallable at the Timely, Evening, Intra-Day 1, Intra-Day 2, and Early Evening notification periods;
- (iii) the specific quantity to be released expressed as a numeric quantity only, in Dth
- (iv) location of capacity to be released, and Point of Receipt and Point of Delivery associated therewith, each of which points must be either (a) a Primary Point of Receipt and Point of Delivery under the source agreement, or (b) a secondary Point of Receipt or Point of Delivery provided that, in the case of a segmented release as described at Section 2.4 of Rate Schedule FT, each Point of Receipt and Point of Delivery must be a Primary Point of Receipt or a primary or secondary Point of Delivery located along the Existing Shipper's transportation path;
- (v) the source agreements;
- (vi) the period of time or term (which must commence at the start of a day and expire at the end of a day), including any right of recall;

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (vii) the length of time the Existing Shipper's notice is to be posted, but not later than the time set by Section 12.3(a);
- (viii) any Prearranged Shipper (which must appear on Transporter's approved bidder list) proposed by the Existing Shipper to obtain released capacity under the rates, terms and conditions contained in the Shipper's Notice, (a) where the term of the proposed release is 31 days or less, whether the Existing Shipper wants Transporter to solicit bids for the capacity to be released, or (b) whether the release is exempt from the competitive bidding procedure because the Prearranged Shipper is either an asset manager under an asset management agreement as defined in Section 284.8(h)(3) of the Commission's regulations, or a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations;
- (ix) releasing shipper has choice to specify dollars and cents or percents of maximum tariff rate in the denomination of bids and all transportation service providers should support this; once the choice is made by Releasing Shipper, the bids should comport with the choice;
- (x) the minimum price, if any; any maximum/minimum rates specified by the releasing Shipper should include the tariff reservation rate and all demand surcharges as a total number or stated separately;
- (xi) the standard(s) to be utilized by Transporter for determining the best bid for the capacity to be released and for selecting among more than one "best bid" (if different from the standards set forth at Section 12.5(a) hereof, which standards must be objectively stated, applicable to all Potential Shippers, and non-discriminatory;

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12. CAPACITY RELEASE (Cont'd.)

- (xii) reput method and rights if any; reput method and rights should be specified at the time of the deal; reput method and rights are individually negotiated between the Existing Shipper and Replacement Shipper;
- (xiii) whether volumetric bids or bids based upon other variants of the rates applicable to the capacity to be released are to be solicited;
- (xiv) whether the Existing Shipper requests the assistance of Transporter's Marketing Department in locating Potential Shippers for the capacity to be released;
- (xv) whether the Replacement Shipper will be required to enter into an agreement with the Existing Shipper, and if so, a description of the terms and conditions of such agreement; and where the release is to an asset manager under an asset management agreement as defined in Section 284.8(h)(3) of the Commission's regulations, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect;

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (xvi) whether Potential Shippers may submit bids subject to contingencies that extend beyond the posting period applicable to the notice;
 - (xvii) whether the Existing Shipper requests a release of further obligations to Transporter, as described in Section 12.7 hereof; and
 - (xviii) if, pursuant to Section 12.4(d) hereof, the Potential Shipper or Prearranged Shipper will be subject to lesser security requirements than those set forth in Section 2.2(e) of these General Terms and Conditions, a clear explanation of those lesser security requirements.
- (b) Offers are binding until written or electronic notice of withdrawal is received by Transporter. The releasing party may withdraw its offer during the bid period where unanticipated circumstances justify and no minimum bid has been made. The withdrawal must be via written notice, facsimile transmission or through E-mail, or via EDM, including an affidavit establishing unanticipated circumstances justifying the withdrawal. A Shipper's Notice of a prearranged deal transmitted via EDM must be withdrawn via EDM.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

12.3 Posting of Shipper's Notices

- (a) Except as set forth in Section 12.3(b), Shipper may deliver its completed notice to Transporter on any business day, but in order to be posted on the same day it must be received by Transporter no later than the deadline for offers set forth in Section 12.3(c).

If Shipper provides Transporter with a notice by means other than Transporter's Web Site, Transporter shall post Shipper's completed notice on Transporter's Web Site upon receipt or as requested by Shipper. If the Shipper requests a posting time, Transporter will support such request insofar as it comports with the standard timeline set forth in this Section 12. Bids and offers should be complete before being posted. Only posted bids and offers will be available electronically.

- (b) Where an Existing Shipper's Notice requests a release of capacity to a Prearranged Shipper on Transporter's approved bidder list (i) for a term of 31 days or less and the Existing Shipper has not requested that its notice be posted for purposes of soliciting competitive bids, (ii) for a term of more than one year at the maximum tariff rate, or (iii) where the Existing Shipper's Notice designates the release as exempt from the competitive bidding procedure because the Prearranged Shipper is either an asset manager under an asset management arrangement as defined in Section 284.8(h) (3) of the Commission's regulations, or a marketer participating in a state-regulated retail access program, as defined in Section 284.8(h) (4) of the Commission's regulations, the notice will be posted for informational purposes only, and not to solicit bids. This Section 12.3(b) shall not be applicable to the posting of Existing Shipper Notices requesting a continuation of a release transaction previously posted for informational purposes only pursuant to clause (i) of this Section 12.3(b), or a renewal of such a previously posted transaction unless at least twenty-eight days have elapsed since the expiration of such transaction.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (c) Capacity release timeline: For purposes of implementing Section 284.8 of the Commission's regulations, NAESB WGQ Standard 5.3.2 regarding biddable releases of less than one year will be deemed to be applicable to biddable releases of one year or less; and NAESB WGQ Standard 5.3.2 regarding biddable releases of one year or more will be deemed to be applicable to biddable releases of more than one year.

As set forth in NAESB Standard 5.3.2:

For biddable releases (less than 1 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 posting if no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.; match response by 2:30 P.M.;
- where match required award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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12. CAPACITY RELEASE (Cont'd.)

For biddable releases (1 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 Business Days);
- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made and ties are broken;
- evaluation period ends and award posting is no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.; match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

For non-biddable releases:

Timely Cycle

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

Evening Cycle

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

Intra-Day 1 Cycle

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

Intra-Day 2 Cycle

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

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

12.4 Eligible Bidders and Bidding Procedure

- (a) During the posting period applicable to an Existing Shipper's Notice that is subject to competitive bidding, Transporter will accept bids from Potential Shippers that are listed on Transporter's approved bidder list and that satisfy Transporter's credit requirements for the capacity proposed to be released. A request to be added to Transporter's approved bidder list must be tendered to Transporter in writing to:

Empire Pipeline, Inc.
Attn: Empire Contract Administration
6363 Main Street
Williamsville, New York 14221

Such requests must include the information required by Section 2.1 of these General Terms and Conditions and by Transporter's Transportation Service Request Form as posted on the Web Site from time to time. To be placed on and to remain on Transporter's approved bidder list, a Potential Shipper must satisfy, initially and on a continuing basis, Transporter's credit requirements as outlined in Section 2.2 of these General Terms and Conditions and execute and maintain in force a Master Service Agreement for Capacity Release Transactions in the form set forth herein beginning at Sheet No. 494.

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12. CAPACITY RELEASE (Cont'd.)

- (b) Bids may be submitted by Potential Shippers to Transporter via a written notice or facsimile transmission or via E-mail during the posting period applicable to the Existing Shipper's Notice. Transporter will post the terms of each complete bid, but will not post the identity of the bidder, on the Web Site. Posted bids shall be accessible via EDM.

Transporter shall reject bids which do not match or exceed any minimum rate or term specified by the Existing Shipper's Notice, or are in other respects incomplete or non-responsive to such notice. No rate limitation applies for releases of capacity for a term of one year or less if the release is to take effect on or before one year from the date on which Transporter is notified of the release; otherwise (i) any bid received by Transporter offering to pay rates in excess of Transporter's applicable maximum rates, inclusive of surcharges, shall be treated by Transporter as an offer to pay rates equal to Transporter's applicable maximum rates, inclusive of surcharges, and no payments may be made or accepted at rates in excess of Transporter's applicable maximum rates, inclusive of surcharges, and

(ii) where the Existing Shipper has specified that volumetric bids or bids based upon other variants of the rates applicable to the capacity to be released will be accepted, any bid which has a one hundred percent (100%) load factor derivative more than the one hundred percent (100%) load factor derivative of the maximum rates applicable to the capacity to be released shall be deemed to be a bid offering to pay rates in excess of Transporter's applicable maximum rates. Potential Shippers may revise their bids during the posting period. Potential Shippers may not submit multiple bids for the same package of capacity.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (c) Bids are binding until written or electronic notice of withdrawal is received by Transporter. Bids cannot be withdrawn after the bid period ends. Following the withdrawal of a bid, a Potential Shipper may not submit a bid lower than the bid withdrawn during the remainder of the posting period. For this purpose, bids will be determined to be "higher" or "lower" than the withdrawn bid by application of the standard applicable to the determination of best bid, as set forth in Section 12.5.

- (d) Notwithstanding Sections 12(a) (viii) and 12.4(a) hereof, Existing Shipper may establish a security requirement for Prearranged or Potential Shippers that is less than that prescribed by Section 2.2(e) of these General Terms and Conditions, provided that the security requirement is adequate to cover a value determined under Section 2.2(e) (i) (B) without regard to revenues creditable to the Existing Shipper under Section 12.9 hereof.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

12.5 Determination of Best Bid

- (a) Upon the conclusion of the posting period, Transporter shall determine the "best bid" for the capacity described in an Existing Shipper's Notice by applying the standard described by the Existing Shipper pursuant to Section 12.2(a)(xi) hereof, or, if no standard was so described, Transporter shall make such determinations according to which bid would generate the revenue stream with the greatest net present value, without assuming any throughput, applying as the discount rate the rate under Section 154.501 of the Commission's regulations. Transporter is required to meet the capacity release timelines for processing capacity reallocations only if the Existing Shipper's best bid methodology is either (i) highest rate, (ii) net revenue, including the default standard provided by this Section 12.5(a), or (iii) present value.
- (b) Unless its bid is matched by a Prearranged Shipper, the released capacity shall be awarded to the Potential Shipper submitting the "best bid". If more than one Potential Shipper submits bids that each qualifies as a "best bid", the released capacity will be awarded to the Potential Shipper who submitted the "best bid" first in time, unless a different tie-breaking method is specified by the Existing Shipper.
- (c) Any contingencies in bids must be satisfied during the evaluation period specified in Section 12.3(c). If there have been multiple bids meeting minimum conditions, Transporter will award the bids, best bid first, until all the offered capacity is awarded.

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12. CAPACITY RELEASE (Cont'd.)

12.6 Awards

The Replacement Shipper initiates confirmation of prearranged deals electronically. Transporter shall communicate the award via facsimile or Transporter's Web Site to the Potential Shipper or Prearranged Shipper. The communication of an award, under a Master Service Agreement for Capacity Release Transactions, is the means by which Transporter shall satisfy its obligation under NAESB Standard 5.3.2 to issue a contract within one hour of award posting. Transporter must receive an acceptance of the award from the Prearranged or Potential Shipper before it is required to accept a nomination. The acceptance of the award may be transmitted via the Web Site, or via facsimile. In the event Transporter does not receive an acceptance of the award (i) for release transactions subject to competitive bidding, by 4:00 p.m. central clock time on the day the posting period concludes, or (ii) for release transactions not subject to competitive bidding within one (1) hour of the communication of the award, the allocation of the released capacity to said Potential Shipper or Prearranged Shipper shall be nullified, and Transporter shall post a notice to such effect on the Web Site. In such event, the capacity shall be offered to the Potential Shipper that submitted the best bid, in relation to the applicable standard, from among remaining bids. In the event that a Prearranged Shipper identified in an Existing Shipper's Notice that is exempt from the competitive bidding procedure fails to accept the award within the above-described period, Transporter will so advise the Existing Shipper but will otherwise have no further obligations with regard to the Existing Shipper's Notice. Upon acceptance of the award, the Potential or Prearranged Shipper, shall be referred to as the Replacement Shipper.

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12. CAPACITY RELEASE (Cont'd.)

12.7 Obligations of Existing Customer

The service agreements of the Existing Shipper releasing capacity will remain in full force and effect, with a portion of the proceeds attributable to any release credited to the Existing Shipper's bill as provided in Section 12.9 hereof. Subject to Section 18.2 of these General Terms and Conditions, the Existing Shipper shall remain liable to Transporter under the terms of its service agreement with Transporter during and irrespective of any assignments of the rights and obligations under the service agreement for all reservation, demand and capacity charges, and any surcharges applicable to such charges, but excluding commodity or usage charges and imbalance penalties.

Where an Existing Shipper proposes to release or has released all its capacity to a Replacement Shipper for the entire remaining term of the applicable service agreement between Transporter and the Existing Shipper, the Existing Shipper may request Transporter to release the Existing Shipper from any further obligations to Transporter upon the effectiveness of a new source service agreement between Transporter and the Replacement Shipper. Transporter shall be under no obligation to grant such requests unless the Replacement Shipper (i) agrees to pay for the released capacity at Transporter's maximum rates and (ii) demonstrates to Transporter that it possesses sufficient financial stability, or if it provides such security as is necessary, to make Transporter reasonably secure that the Replacement Shipper will pay for service on a timely basis throughout the remaining term of the service agreement between Transporter and the Existing Shipper. Transporter shall exercise its discretion under this provision in a non-discriminatory manner.

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12. CAPACITY RELEASE (Cont'd.)

As set forth in the first paragraph of this Section 12, the capacity release timeline will not be applicable if the Existing Shipper requests Transporter to release it from further obligations; provided however, that said timeline shall apply if the Existing Shipper's notice expressly indicates that the release is not contingent upon Transporter's determination under this provision.

In no event shall the communication of an award pursuant to Section 12.6 be deemed as the grant of a request to release the Existing Shipper from further obligations to Transporter.

In the case of a capacity release, if a Replacement Shipper utilizes any Secondary Receipt Point or Secondary Delivery Point, the Releasing Shipper shall be responsible for paying Transporter's maximum applicable rates for such service unless Transporter has agreed otherwise. The Releasing Shipper may protect itself from added charges by the use of a restriction against the use of higher rate secondary points or by requiring reimbursement from the Replacement Shipper for such added charges as part of the provisions of the posted notice of a capacity release pursuant to Section 12.2(a)(xv) of these General Terms and Conditions, and by the inclusion of such terms in the Bid Agreement.

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GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

12.8 Rights and Obligations of Replacement Shippers

- (a) Subject to the provisions of Subsections (b) - (g) of this Section 12.8, once the Replacement Shipper obtains an award of capacity subject to a service agreement with Transporter, the Replacement Shipper becomes an Existing Shipper like any other Shipper and is subject to the provisions set forth in this FERC Gas Tariff including all requirements concerning nominations and scheduling. In addition, the Replacement Shipper as an Existing Shipper (hereinafter called a "Secondary Existing Shipper") may also release its capacity pursuant to this section.

- (b) Upon termination of a source service agreement or a capacity award under a Master Service Agreement for Capacity Release Transactions by reason of Shipper default, Transporter shall have the right to terminate any Replacement Shipper's capacity award derived from that agreement or award in default, whether the Replacement Shipper obtained its capacity award in a release by the defaulting shipper or by a non-defaulting Secondary Existing Shipper.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (c) In order to exercise its right under Subsection 12.8(b), Transporter must cause a written notice to be served on the Replacement Shipper, at least thirty (30) days prior to the effective date of termination of the capacity award. Such notice shall inform the Replacement Shipper of the following:
- (i) that notice of termination has been served upon the defaulting Shipper;
 - (ii) that such termination notice informed the defaulting shipper of Transporter's intent to terminate its agreement or award if the cause for termination is not remedied within thirty (30) days after the service of such notice;
 - (iii) that the Replacement Shipper's capacity award will be terminated if such cause for termination of the defaulting Shipper's agreement or award has not been remedied within such time period;
 - (iv) except in the situation described in Subsection 12.8(c)(v), that at any time within thirty (30) days following the service of such written notice, the Replacement Shipper may submit a service request for a new source agreement for its awarded capacity (i.e., the Replacement Shipper's capacity entitlement for the remainder of the term of the award) at the lower of (A) the rates applicable to the defaulting shipper's agreement or award or (B) Transporter's maximum rates;
 - (v) with respect to a Replacement Shipper with an award of a geographically segmented portion of the capacity subject to the defaulting shipper's agreement or award, that at any time within thirty (30) days following the service of such written notice, the Replacement Shipper may submit a request for a new source service agreement for the Replacement Shipper's Contract Maximum Daily Transportation Quantity along the defaulting shipper's full capacity path for the

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

remainder of the term of the Replacement Shipper's capacity award at the lower of (A) the rates applicable to the defaulting shipper's agreement or award or (B) Transporter's maximum rates; and

- (vi) an explanation of Shipper's rights as described in Subsections 10.8(d)-(g).
- (d) Subject to Subsections 10.8(e)-(f), if (i) the Replacement Shipper submits a service request within the period of time specified in Subsection 12.8(c)(iv) or (v); (ii) the Replacement Shipper satisfies the service qualification requirements set forth in Section 2 of this Tariff; and (iii) the termination of the defaulting Shipper's agreement or award becomes effective, Transporter shall tender the requested source agreement for execution by the Replacement Shipper.
- (e) If Transporter receives more than one timely service request under this Section 12.8 from qualified Replacement Shippers for the same awarded capacity in the situation where the capacity released by the defaulting Shipper has been re-released by its Replacement Shipper, such service requests will be prioritized in the order in which the capacity releases occurred (i.e., a Replacement Shipper closer to the defaulting Shipper in the sequence of successive releases will have priority over a Replacement Shipper further from the defaulting Shipper in such sequence). In this case, all capacity awards derived from the award qualifying for the highest priority will remain in effect pending and following execution of the new source agreement between Transporter and the Replacement Shipper with the highest priority, and such Replacement Shipper's rights to such capacity will be subject to the rights included in such other capacity awards.

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GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (f) If Transporter receives more than one timely service request under this Section 12.8 from qualified Replacement Shippers in the situation described in Subsection 12.8(c)(v), with the same priority as determined by Subsection 12.8(e), Transporter shall allocate capacity among such Replacement Shippers in proportion to the maximum transportation quantities specified in such shippers' awards.
- (g) If the Replacement Shipper fails to execute and return the agreement tendered by Transporter within the period of time specified by Transporter, which period shall be at least five (5) business days from the time the agreement is forwarded by Transporter, the Replacement Shipper shall have no further rights under this Section 12.8. In such case, the formerly awarded capacity shall be offered to the qualified Replacement Shipper that submitted a timely service request with the next highest priority, if any, under the same conditions. In the absence of other such requests, the capacity shall be posted and service requests therefore will be solicited in accordance with Section 14 of these General Terms and Conditions.

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Superseding: Original Sheet No. 183

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12. CAPACITY RELEASE (Cont'd.)

12.9 Billing Adjustments

Transporter shall credit the bill of the Existing Shipper with any reservation, demand or capacity charges (including surcharges thereon), and, in the case of a Negotiated Rate Shipper responsible for commodity or usage charges, such commodity or usage charges (including surcharges) billed to a Replacement Shipper utilizing capacity released by the Existing Shipper; provided, however, that should a Replacement Shipper (including a Replacement Shipper of any Secondary Existing Shipper) default on its obligation to make timely payment for the charges billed by Transporter, such credit shall be reversed, as of the date the credit was made, and the Existing Shipper shall be liable for such charges, together with interest as set forth in Section 7.2 of these General Terms and Conditions. The bill of the Existing Shipper shall be credited with any such charges received by Transporter subsequent to the reversal of such credit.

The rate paid by a Replacement Shipper in any capacity release transaction which is not subject to Transporter's maximum rate pursuant to Section 284.8(b)(2) of the Commission's regulations will be deemed to be a final rate and is not subject to refund.

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12. CAPACITY RELEASE (Cont'd.)

12.10 Marketing Assistance

If the Existing Shipper requests the assistance of Transporter's Marketing Department in locating a potential Replacement Shipper, a representative from such department shall contact the Existing Shipper and discuss the services that are available at such time and the fees for such services. If the Existing Shipper and Transporter enter into a mutually agreeable marketing assistance arrangement, Transporter shall bill the Existing Shipper according to the terms of such agreement.

12.11 Intra-Day Recalls of Capacity

- (a) Releasing shippers receiving service under Rate Schedule FT may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled). As set forth in NAESB Standard 5.3.44:

All Transportation Service Providers (TSPs) should support the following recall notification periods for all released capacity subject to recall rights:

- (i) Timely Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due (Central Clock Time);

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

(ii) Early Evening Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iii) Evening Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iv) Intra-Day 1 Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the day that Intra-Day 1 Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intra-Day 1 Nominations are due (Central Clock Time);

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12. CAPACITY RELEASE (Cont'd.)

(v) Intra-Day 2 Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 2:30 p.m. on the day that Intra-Day 2 Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the day that Intra-Day 2 Nominations are due (Central Clock Time).

(b) As set forth in NAESB Standard 5.3.45:

For recall notification provided to the Transportation Service Provider (TSP) prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time)

(c) As set forth in NAESB Standard 5.3.54:

The deadline for notifying the Transportation Service Provider of a recall is 8:00 a.m. to allow for timely nominations to flow on the next gas day.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (d) In the event capacity is recalled for the Intra-Day 1 Nomination Cycle, the fixed charges for that day applicable to the Recalling Shipper shall be two-thirds (2/3) of the daily equivalent of the monthly fixed charges under the source agreement, and the fixed charges for that day applicable to the Replacement Shipper whose capacity is recalled shall be one-third (1/3) of the daily equivalent of the monthly fixed charges under the Replacement Shipper's service agreement. In the event capacity is recalled for the Intra-Day 2 Nomination Cycle, the fixed charges for that day applicable to the Recalling Shipper shall be one-half (1/2) of the daily equivalent of the monthly fixed charges under the source agreement, and the fixed charges for that day applicable to the Replacement Shipper whose capacity is recalled shall be one-half (1/2) of the daily equivalent of the monthly fixed charges under the Replacement Shipper's service agreement. For Intra-Day 1 and Intra-Day 2 recalls, commodity and other volumetric charges (including charges for releases at volumetric rates) for the Replacement and Recalling Shipper shall be based upon the quantities scheduled by Transporter for each shipper with respect to the portion of the day it holds the capacity.

GENERAL TERMS AND CONDITIONS

12. CAPACITY RELEASE (Cont'd.)

- (e) As set forth in NAESB Standard 5.3.55:

For the recall notification provided to the Transportation Service Provider (TSP), the TSP's tariff should specify whether the quantity should be expressed in terms of (a) total released capacity entitlements or (b) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. The capacity entitlements resulting from the use of either (a) or (b) should be the same.

In accordance with NAESB Standard 5.3.55, Transporter specifies the Elapsed Prorata Capacity method.

- (f) As set forth in NAESB Standard 5.3.57:

The Transportation Service Provider should not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55.

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SHEET NOS. 189 - 190 ARE RESERVED FOR FUTURE USE

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GENERAL TERMS AND CONDITIONS

13. ACQUIRED CAPACITY

- (a) Transporter may from time to time acquire capacity on a third-party system ("Acquired Capacity"). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. When Transporter uses Acquired Capacity to transport or store gas for others, such service will be provided pursuant to this FERC Gas Tariff. For purposes of any use of Acquired Capacity covered by this Section 13, the "shipper must hold title" requirement is waived.
- (b) This Section 13 does not preclude Transporter from seeking case specific authorization for the utilization of Acquired Capacity on terms and conditions that differ from those set forth in Section 13(a).

GENERAL TERMS AND CONDITIONS

14. PROCEDURES FOR ALLOCATING FIRM CAPACITY

14.1 In the event firm capacity on Transporter's system becomes available or will become available other than through the applicable provisions of Sections 12 or 15 of these General Terms and Conditions or Subsection 14.10, or in the event that Transporter announces plans to construct facilities that would result in additional firm capacity, Transporter shall post on its Web Site all relevant terms and conditions pertaining to such capacity and will solicit service requests for at least the following periods:

- (a) One (1) business day for firm capacity which will be available for less than five (5) months;
- (b) Three (3) business days for firm capacity which will be available for five (5) months or more but less than twelve (12) months; and
- (c) Five (5) business days for firm capacity which will be available for twelve months or longer.

A Shipper submitting a service request in response to a posting pursuant to this Section 14 shall include, in addition to the information required by the applicable rate schedule, a request for any discount sought by the Shipper. The rate for the service requested by Shipper, as discounted in accordance with the Shipper's request, and the term of service requested by the Shipper, shall constitute the Shipper's bid for the capacity posted by Transporter.

GENERAL TERMS AND CONDITIONS

14. PROCEDURES FOR ALLOCATING FIRM CAPACITY (Cont'd.)

14.2 Transporter shall evaluate and determine the value of the bid(s) for the capacity posted by Transporter in accordance with one of the following two methods, with the specific method identified in its posting:

- (a) Net present value of reservation, demand and capacity charges per unit of capacity; or
- (b) Rate bid, provided such bid meets the minimum term (if any) stated in Transporter's posting.

In the event Transporter receives two or more bids of equal value, then under method (a) the best bid shall be the bid with the shortest term and under method (b) the best bid shall be the bid with the longest term. Transporter shall base its selection of method (a) or method (b) upon its assessment of which method will result in greater revenues for the services associated with the capacity.

14.3 In processing requests for service received within the posting period, Transporter shall allocate capacity among shippers according to the present values (where method (a) is employed) or rates (where method (b) is employed) of the bids received. A ratable allocation, based on the quantities requested, shall be made among shippers that submit bids that are equal with respect to both value and term.

14.4 Transporter's posting shall also specify the number of days within which shippers must execute and return service agreements or precedent agreements once Transporter has allocated available capacity in accordance with Section 14.3. If a Shipper fails to execute and return the agreement tendered by Transporter within such specified period, the capacity allocated to that Shipper will be reallocated among the remaining shippers requesting the posted capacity during the posting period, in accordance with Section 14.3.

GENERAL TERMS AND CONDITIONS

14. PROCEDURES FOR ALLOCATING FIRM CAPACITY (Cont'd.)

- 14.5 If some or all of the posted capacity remains available following the posting period, either for an indefinite period or for an interim period ending with the commencement date of the service(s) of the shipper(s) submitting the Best Bid(s) and awarded during the posting period ("Interim Period"), Transporter may, in its discretion, establish additional posting periods. Requests for firm service that are received by Transporter outside of an established posting period shall be processed on a first-come, first-served basis in accordance with the applicable rate schedule, subject to Section 14.6. A service agreement for capacity available only during an Interim Period shall not be a Qualifying Agreement for purposes of Section 15 of these General Terms and Conditions (Pregranted Abandonment and Right of First Refusal).
- 14.6 If Transporter receives a request for firm service (other than a backhaul service) that requires capacity that exists on Transporter's system, but has not been disclosed to shippers on Transporter's Web Site, Transporter shall solicit service requests for such capacity, and shall allocate such capacity in accordance with this Section 14. In such case, the request for capacity that had not been disclosed shall be considered to have been received in response to the posting and during the posting period.
- 14.7 Any shipper submitting a request in response to a posting pursuant to this Section 14 may later amend its bid prior to the conclusion of the posting period.
- 14.8 Notwithstanding the above, Transporter shall not be obligated to accept any bid or execute a service agreement or precedent agreement at a rate less than the maximum rate allowable under the applicable rate schedule. Transporter's posting may specify a minimum rate and the latest commencement date that Transporter will accept for service requiring the capacity described in its posting. Transporter may also determine a minimum rate prior to the commencement of the posting period, without posting such minimum rate.

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14. PROCEDURES FOR ALLOCATING FIRM CAPACITY (Cont'd.)

14.9 In the case of a posting of capacity to be made available as the result of the construction or acquisition of new facilities, Transporter's posting may specify a minimum term of service that must be requested by Shippers bidding on the capacity.

14.10 If capacity posted hereunder is contracted by a shipper, either in response to the posting or outside of an established posting period pursuant to Subsection 14.5 hereof, for a primary term of less than twelve (12) months, Transporter shall not be obligated to post such capacity upon expiration of such contract pursuant to this Section 14, but may process requests for firm service utilizing such capacity on a first-come-first-served basis, subject to Subsection 14.6 hereof.

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL

15.1 Eligible Service Agreements

Unless Transporter and Shipper expressly agree otherwise in Shipper's service agreement, this Section 15 shall apply only to long-term service agreements under the FT Rate Schedule at the applicable Maximum Rates (but not those agreements excluded by Section 14.5 or Section 17 of these General Terms and Conditions) ("Qualifying Agreements").

To the extent a Shipper holding a Qualifying Agreement satisfies the bid matching requirements of this Section 15 or Transporter and Shipper reach agreement as contemplated by Section 15.7, such Shipper may retain its capacity and continue to receive firm service for which Transporter or Shipper has served notice of termination. If Transporter receives one or more acceptable bids for such capacity and Shipper does not satisfy the bid matching requirements of this Section 15 or if Transporter does not receive any acceptable bids for such capacity and Transporter and Shipper do not reach agreement as contemplated by Section 15.7, Shipper shall no longer have, as of the effective date of Transporter's or Shipper's notice of termination, rights under the Qualifying Agreement and Transporter shall have all necessary abandonment authorizations under the Natural Gas Act. Service agreements that are not Qualifying Agreements ("Non-Qualifying Agreements") are not subject to the abandonment protection of this Section 15. Upon termination of a Non-Qualifying Agreement, Transporter shall have all necessary abandonment authorization under the Natural Gas Act effective as of such termination date. For purposes of this Section 15, the term "long-term service agreement" shall include any service agreement with a primary or extended term of one (1) year or longer. Where Transporter and a shipper under a Non-Qualifying Agreement agree that this Section 15 applies to such agreement, the parties may agree to limit the applicability of Shipper's Right of First Refusal ("ROFR") under this section in certain respects; for example, to circumstances where Transporter initiates the termination of the agreement, or to a single ROFR exercise as of the end of the primary term of the service agreement.

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL (Cont'd.)

15.2 Shipper's ROFR Notice

When Transporter provides a notice of termination of a Qualifying Agreement, Shipper shall notify Transporter within thirty (30) days thereof as to whether it wishes to avail itself of the Right of First Refusal procedures set forth in this Section 15 ("Shipper's ROFR Notice"). When Shipper provides a notice of termination of a Qualifying Agreement, it shall provide Shipper's ROFR Notice within such termination notice. A Shipper that does not provide a Shipper's ROFR Notice indicating that it wishes to avail itself of the Right of First Refusal procedures set forth in this Section 15 as set forth herein shall be deemed to have irrevocably waived its Right of First Refusal.

15.3 Posting of Notices of Termination

Within thirty (30) days of Shipper's ROFR Notice, but no earlier than six (6) months prior to the date by which notice of termination must be provided under the agreement, Transporter shall post on its Web Site the following information:

- (a) Point(s) of Receipt and Point(s) of Delivery,
- (b) the specific quantity available under the terminated contract,
- (c) the date of expiration,
- (d) the current maximum rate applicable to the terminated service.

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL (Cont'd.)

15.4 Bidding Procedure

For the time period stated in Transporter's posting, which shall be no shorter than ten (10) Business Days, Transporter will accept service requests from Shippers. A Shipper submitting a service request in response to a posting pursuant to this Section 15 shall include, in addition to the information required by the applicable rate schedule, a request for any discount sought by the Shipper. The rate for the service requested by Shipper, as discounted in accordance with the Shipper's request, and the term of service requested by the Shipper, shall constitute the Shipper's bid for the capacity posted by Transporter.

Potential Shippers may revise their bids during the posting period. Transporter may reject any bid which would require Transporter to discount below a rate or beyond a discount period agreeable to Transporter.

Transporter will accept bids from Potential Shippers with respect to a quantitative portion of Shipper's contract quantity.

15.5 Determination of Best Bid

Transporter shall review all bids from Potential Shippers received pursuant to Section 15.4, which have not been rejected by Transporter, to determine which bid is the Best Bid(s). For purposes of this Section 15.5, the "Best Bid(s)" shall be the bid(s) yielding to Transporter the highest net present value. Net present value shall be calculated on the basis of the present value of the Reservation Charge per unit to Transporter. In making the determination of net present value Transporter shall apply the same discount factor to all bids. Transporter shall disclose in each posting the discount factor to be used for such posting. If Transporter receives two (2) or more mutually exclusive Best Bids during the posting period that are not matched by Shipper, Transporter will consider the bid submitted earliest in time to be the Best Bid.

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL (Cont'd.)

15.6 Notification of and Right to Match Best Bid

Upon receipt from Transporter of notice of the Best Bid(s), Shipper shall have the right for a period of ten (10) Business Days period to notify Transporter whether the Shipper is willing to match the Best Bid(s). This right to match the Best Bid(s) shall be referred to herein as the "Right of First Refusal" or "ROFR". Failure to notify Transporter within said ten (10) Business Day period constitutes an irrevocable waiver of Shipper's ROFR. In order to exercise its ROFR, Shipper must agree to a rate equal to or greater than the rate set forth in the Best Bid(s) and agree to execute a service agreement for a contract term equal to the contract term set forth in the Best Bid(s).

If the Best Bid(s) apply to a quantitative portion of Shipper's contract quantity, Shipper need only match the Best Bid(s) with respect to such quantitative portion, in which case, the remaining quantitative portion of Shipper's contract quantity will be subject to Section 15.7 hereof.

Shipper may also match a Best Bid(s) with respect to a quantitative portion of the capacity bid upon. If a Shipper elects to exercise its ROFR as to only a quantitative portion of its capacity, its rights under its service agreement shall be reduced as follows: (i) Shipper's maximum entitlement shall be reduced in the same proportion on each Day that Shipper is entitled to receive service during the year; and (ii) Shipper may specify the allocation of the reduction among primary receipt and delivery points, provided however, that Transporter may require a different allocation among receipt and/or delivery points if Shipper's proposal is operationally infeasible or would adversely affect system operations and Transporter provides a written explanation to Shipper of that result. If Shipper does not specify a particular allocation of the reduction among primary receipt and delivery points, Shipper shall retain the same points with a proportionate reduction at each point.

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL (Cont'd.)

If Shipper notifies Transporter that it is exercising its ROFR with respect to Shipper's entire contract quantity, the Shipper's service agreement shall be deemed to be amended in accordance with the terms of the Best Bid(s) so matched by Shipper. If Shipper notifies Transporter that it is exercising its ROFR with respect to a quantitative portion of Shipper's contract quantity, or that it is matching a quantitative portion of the capacity bid upon, Transporter shall send Shipper an executable service agreement in the Form of Service Agreement set forth in this tariff, reflecting the reduction of Shipper's contract quantity and the allocation of that reduction among receipt and delivery points. Shipper must execute and return this service agreement to Transporter within ten (10) Business Days after it is tendered by Transporter. Shipper's failure to abide in a timely manner with this requirement shall constitute an irrevocable waiver of its ROFR.

15.7 Absence of Acceptable Bids

In the event Transporter does not receive any bids pursuant to Section 15.3 or Transporter rejects all bids received due to the fact that such bids were premised on rate discount levels or rate discount periods unacceptable to Transporter, Transporter shall notify Shipper to such effect, and Transporter and Shipper may mutually agree upon the terms and conditions under which Shipper shall be entitled to retain its capacity and continue to receive service, provided that in such event Shipper may retain its capacity (or a quantitative portion thereof) and continue to receive service at the applicable maximum rates, or at a rate between the minimum and maximum negotiated by Transporter and Shipper, for a term specified by Shipper. In the event Transporter and Shipper have not reached agreement on the terms and conditions under which service will be extended for Shipper before the date which is twenty (20) days following the date of Transporter's notice to Shipper that no acceptable bids have been received, then Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of the date of termination of the long-term service agreement.

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 201 Original Sheet No. 201

GENERAL TERMS AND CONDITIONS

15. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL (Cont'd.)

15.8 Capacity Release Transactions

In the event that, pursuant to Section 12.7 of these General Terms and Conditions, an Existing Shipper's capacity is released on a permanent basis to a Replacement Shipper and Transporter has granted the request of Existing Shipper to be released of any further obligations under its service agreement, the Replacement Shipper shall succeed to any ROFR rights held by the Existing Shipper with respect to such agreement. In all other cases, a Releasing Shipper's ROFR shall not be affected by a capacity release and the Replacement Shipper shall have no ROFR.

15.9 Extension of Service Agreements

Notwithstanding anything to the contrary in this Tariff, Transporter may agree with any Shipper, on a not unduly discriminatory basis, to the extension of the term of a service agreement, applicable to Shipper's entire contract quantity or quantitative portion thereof, to be negotiated on a case-by-case basis. An agreement pursuant to this Section 15.9 shall not constitute a material deviation from the applicable form of service agreement.

GENERAL TERMS AND CONDITIONS

16. OPERATIONAL FLOW ORDERS

16.1 Scope of Provision

This Section implements Section 284.12(b)(iv) of the Commission's Regulations, which establishes certain requirements regarding "operational flow orders (OFOs) or other measures taken to respond to adverse operational events on its system." For purposes of this provision, the abbreviation "OFO" will be used to represent any measure within the scope of Section 284.12(b)(iv).

- (a) Examples of OFO's under this Tariff include, without limitation:
- (1) A curtailment of service pursuant to Section 9 of these General Terms and Conditions resulting from adverse operational events on Transporter's system;
 - (2) A declination by Transporter to schedule firm service pursuant to Section 4.2 of these General Terms and Conditions resulting from adverse operational events on Transporter's system;
 - (3) A determination by Transporter that operating conditions require the rectification of imbalances pursuant to Section 3.1 of these General terms and Conditions.
 - (4) A determination by Transporter that receipts and deliveries must be made at uniform hourly rates to protect the integrity of its system, pursuant to Section 4.5 of these General Terms and Conditions, or that Transporter otherwise cannot permit the hourly variations therein described.

GENERAL TERMS AND CONDITIONS

16. OPERATIONAL FLOW ORDERS (Cont'd)

- (b) Examples of measures that do not constitute OFO's include, without limitation:
 - (1) A declination by Transporter to schedule any interruptible overrun service, or a curtailment or bumping of any interruptible service, in order to serve higher priority shippers;
 - (2) A declination by Transporter to schedule any firm service at Secondary Points of Receipt or Delivery, or a curtailment of bumping of such secondary firm service, in order to provide firm service to other shippers at Primary Points of Receipt or Delivery; and
 - (3) A declination to transport excess deliveries pursuant to Section 4.6 of these General Terms and Conditions.

16.2 Standards for the Beginning and End of OFO's

(a) General

Transporter, in its reasonable discretion, shall have the right to issue OFO's upon determination by Transporter that action is required in order to alleviate conditions which threaten the integrity of Transporter's system, to maintain pipeline operations at the pressure required to provide reliable firm services, to have adequate supplies in the system to deliver on demand, to maintain firm service to all shippers and for all firm services, and to maintain the system in balance for the foregoing purposes. To the extent feasible, Transporter shall direct such OFO's to those shippers causing the condition that necessitates issuance of the OFO. As soon as the conditions giving rise to an OFO have been corrected or are no longer present, the OFO shall be terminated.

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FERC Docket: CP06-5-010

Original Sheet No. 204 Original Sheet No. 204

GENERAL TERMS AND CONDITIONS

16. OPERATIONAL FLOW ORDERS (Cont'd)

(b) Pipeline Specific Standards

On Transporter's system, the circumstances which may result in an OFO include, without limitation, the following:

- (i) Unavailability of compression facilities, as a result of planned work or the necessity to make repairs;
- (ii) Unavailability of pipeline facilities, as a result of planned work or the necessity to make repairs;
- (iii) Partial or entire electrical or communication failure that impairs Transporter's ability to monitor and control essential facilities;
- (iv) Severe or unanticipated weather conditions, which can include unusually cold or warm temperatures for the time of year, significant differences between prevailing weather conditions from those forecasted, or sudden changes in weather conditions;
- (v) The presence of objectionable matter in gas in any part of Transporter's system; and
- (vi) The occurrence of unusually low or high system pressure, impairing Transporter's ability to meet its obligations.

GENERAL TERMS AND CONDITIONS

16. OPERATIONAL FLOW ORDERS (Cont'd)

16.3 Notice Procedures for OFO's

Transporter will post all notices of OFO's on its Web Site as expeditiously as is practicable, and, to the extent an Operational Flow Order is applicable only to specific shippers, Transporter will notify each such Shipper by facsimile, provided that such Shipper has provided a facsimile number to Transporter.

Transporter shall update its OFO notices with available information regarding the operational variables that determine when the OFO will begin and end. For example, if an OFO will remain in effect until repairs to a compressor or pipeline are complete, information regarding the status of the repairs will be posted by Transporter. Transporter shall post notices concerning planned work at compressor or other facilities, which, under reasonably foreseeable circumstances, may cause Transporter to issue an OFO. Within a reasonable time following the termination of an OFO, Transporter shall post a report detailing the factors requiring the issuance of the OFO and the termination of the OFO.

16.4 Operational Remedies Prior to Issuance of an OFO

Transporter shall, whenever practicable, attempt to obviate the issuance of an OFO to a particular shipper by (i) temporarily changing system operations, (ii) seeking the voluntary assistance of other parties, including, without limitation, shippers and interconnected facility operators, and (iii) restricting service to shippers with lower scheduling and curtailment priority.

GENERAL TERMS AND CONDITIONS

16. OPERATIONAL FLOW ORDERS (Cont'd)

16.5 Degrees of Severity of OFO's

If Transporter determines that it is necessary to issue an OFO, Transporter 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: Transporter experiences a condition covered by Section 16.2(a) that is not a Level 2 or Level 3 condition.

Level 2: Transporter experiences a condition covered by Section 16.2(a) during the non-heating season (May-October) that threatens service to local markets directly connected to Transporter's system.

Level 3: Transporter experiences a condition covered by Section 16.2(a) during the heating season (November-April) that threatens service to local markets directly connected to Transporter's system.

16.6 Penalties

Tenders or receipts in violation of an OFO shall subject Shipper to penalties as specified in Section 10.3 of these General Terms and Conditions.

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Original Sheet No. 207 Original Sheet No. 207

GENERAL TERMS AND CONDITIONS

17. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS

Transporter may elect to reserve, for future expansion projects, unsubscribed firm capacity or capacity under expiring or terminating firm service agreements where such agreements are Non-Qualifying Agreements under Section 15 of these General Terms and Condition, or Shipper does not exercise its Right of First Refusal under such section. Transporter may only reserve capacity for a future expansion project for which an open season has been held or will be held within one (1) year of the date Transporter posts such capacity as being reserved. If Transporter elects to reserve capacity for future expansion projects under this Section, such capacity may be reserved for up to one year prior to Transporter filing for certificate approval or requesting initiation of the Commission's NEPA Pre-Filing Process for the proposed expansion under Section 7(c) of the Natural Gas Act, and thereafter until such expansion is placed into service. Transporter shall, on a limited-term basis up to the in-service date of the expansion project, make available any capacity reserved under this section in accordance with Section 14 of these General Terms and Conditions.

A service agreement for capacity available on a limited-term basis up to the in-service date of the expansion project shall not be a Qualifying Agreement for purposes of Section 15 of these General Terms and Conditions (Pregranted Abandonment and Right of First Refusal).

Prior to reserving capacity for future expansion projects under this section, Transporter shall first make such capacity available pursuant to Section 14 of these General Terms and Conditions.

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Original Sheet No. 208 Original Sheet No. 208

GENERAL TERMS AND CONDITIONS

17. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS (Cont'd.)

Capacity that remains available after the posting and bidding procedure in accordance with Section 14 may be reserved by Transporter by means of a posting on Transporter's Web Site which shall include, but not be limited to:

- (i) A description of the expansion project for which the capacity will be reserved;
- (ii) The total quantity of capacity to be reserved;
- (iii) The location of the proposed reserved capacity on Transporter's system;
- (iv) When Transporter held or anticipates holding an open season or otherwise posting the capacity for bidding in connection with the expansion project;
- (v) The projected in-service date of the expansion project; and,
- (vi) On an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis.

Where the turn back of the firm capacity by existing shippers could reduce the scope of the expansion project, Transporter's posting for capacity to be reserved under this section shall also include a non-binding solicitation for the turn back of capacity from Transporter's existing shippers to serve the expansion project, provided that Transporter shall post such solicitation for capacity turn back no later than 90 days after the close of the expansion project open season.

Any capacity reserved under this Section for an expansion project that does not go forward because Transporter does not file any required application with the Commission within one year from such reservation date, or because Transporter ultimately does not receive authorization, shall be posted as available capacity within 30 days of the date such capacity becomes available subject to then existing commitments for such capacity.

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First Revised Sheet No. 209 First Revised Sheet No. 209
Superseding: Original Sheet No. 209

GENERAL TERMS AND CONDITIONS

18. ADJUSTMENTS, SURCHARGES, NEGOTIATED RATES, IT REVENUE CREDITS

18.1 Adjustments and Surcharges

Transporter and Shipper recognize that Transporter shall, from time to time, experience changes in costs related to providing service under this FERC Gas Tariff, including, but not limited to, changes in the cost of labor, benefits, materials and supplies, taxes, and required rate of return, costs associated with the resolution of past disputes or outstanding uncertainties concerning amounts owed by Transporter or attributable to Transporter, and costs generated by decisions by the Commission, the courts, or by an arbitration panel or other body having jurisdiction over Transporter. It may be appropriate, equitable, and consistent with cost responsibility to allocate such costs among Shippers based on taking into account past period factors, such as contract demand levels, purchases, or other factors related to a prior period of time. Shipper agrees that Transporter shall have the right, from time to time, to make rate change filings based in whole or in part on factors related to past periods. Shipper shall have the right to intervene and protest any such filings.

18.2 Negotiated Rates

Notwithstanding anything to the contrary contained in this tariff, Transporter may charge a negotiated rate for service under any rate schedule contained in this tariff to any shipper that has access to service at the rates set forth in the applicable rate schedule and agrees to pay such negotiated rate.

A Negotiated Rate shall mean a rate for service, where one or more of the individual rate components exceed the maximum charge, or are less than the minimum charge, for such components. This definition shall include a formula rate where one or more of the individual rate components may exceed the maximum charge, or may be less than the minimum charge, for such components in some months but not in others.

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

GENERAL TERMS AND CONDITIONS

18. ADJUSTMENTS, SURCHARGES, NEGOTIATED RATES, IT REVENUE CREDITS (Cont'd.)

With respect to a Negotiated Rate which exceeds Transporter's maximum rate for that service, for the purposes of allocation of capacity pursuant to Sections 4, 14 and 15 of these General Terms and Conditions, a Shipper paying said Negotiated Rate would be considered to have paid the maximum rate for such service.

For purposes of Section 15 of these General Terms and Conditions the highest rate that a Shipper must match in order to continue to receive service is the maximum rate applicable to such service. For purposes of a release of capacity subject to a negotiated rate, Section 12.4(b) of these General Terms and Conditions, which provides that no payments may be made or accepted at rates in excess of Transporter's applicable maximum rates, shall be applicable. Transporter shall make any filings with the Commission necessary to effectuate a Negotiated Rate. Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to services subject to Negotiated Rates that were converted from pre-existing discount services to Negotiated Rate services. In those situations, Transporter may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenues received or (b) the discounted tariff rate revenues which otherwise would have been received.

Transporter and a Shipper may, in connection with their agreement to a Negotiated Rate, agree upon payment obligations and crediting mechanisms in the event of capacity releases that vary from or are in addition to those set forth in Section 12 of these General Terms and Conditions. Nothing in the foregoing provision, however, shall authorize Transporter or a Shipper to violate the Commission's policy with respect to the negotiation of terms and conditions of service.

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

GENERAL TERMS AND CONDITIONS

18. ADJUSTMENTS, SURCHARGES, NEGOTIATED RATES, IT REVENUE CREDITS (Cont'd.)

18.3 Crediting of IT Revenues

Revenues collected by Transporter under Rate Schedule IT during any Month ("IT Revenues") shall be subject to crediting as follows:

- (a) Transporter shall allocate IT Revenues received with respect to the Transportation of Gas to Point(s) of Delivery located on the Empire Connector among firm shippers with a primary Point of Delivery located on the Empire Connector that received service during such Month, and interruptible shippers utilizing Point(s) of Delivery located on the Empire Connector, in proportion to the charges billed to such shippers with respect to such services during such Month. In the case of an interruptible shipper, only amounts charged with respect to Gas delivered at Point(s) of Delivery on the Empire Connector will be counted in determining its allocation of IT Revenues.
- (b) Transporter shall retain all IT Revenues received with respect to the Transportation of Gas to Point(s) of Delivery located on the Original Empire Pipeline.
- (c) All IT Revenues allocated to a Recourse Rate Shipper shall be credited to such Shipper.
- (d) IT Revenues allocated to a Negotiated Rate Shipper shall be credited to such Shipper if and to the extent its negotiated rate agreement so provides. Transporter shall retain all IT Revenues allocated but not credited to a Negotiated Rate Shipper.
- (e) Transporter shall accumulate credits hereunder during each calendar Year and reflect the credits due each Shipper for such calendar Year on the invoice for service provided during the immediately following January.

GENERAL TERMS AND CONDITIONS

19. ANNUAL CHARGES ADJUSTMENT CLAUSE

19.1 Purpose

For the purpose of funding the Annual Charges assessed against Transporter by the Commission or any successor agency, this Section establishes an Annual Charge Adjustment Clause ("ACA") pursuant to 18 CFR Section 154.402 to be applicable to Transporter's Rate Schedules FT and IT.

19.2 Basis of the ACA

The rate schedules specified in Section 19.1 hereof shall include an increment for the ACA. Such charge shall be that increment, adjusted to Transporter's pressure base and heating value, if required, which has been approved by the Commission orders approving the Annual Charges. The ACA shall be reflected on Sheet Nos. 6 and 7 of this Tariff, where applicable.

19.3 Filing Procedure

The notice period and proposed effective date of the filings pursuant to this Section 19 shall be the same as those permitted under Commission Order Nos. 472 and 472-A, unless a lesser notice period and different effective date is allowed by valid Commission order.

19.4 Intent

Transporter intends to fund the Annual Charges assessed against it by the Commission or any successor agency pursuant to 18 CFR Section 154.402 through this Section 19. If this Section 19 is approved by the Commission, Transporter does not intend to recover such Annual Charges recorded in FERC Account No. 928 through a general rate case filing under Section 4 of the Natural Gas Act.

Effective Date: 02/25/2009 Status: Effective

FERC Docket: RP09-267-000

First Revised Sheet No. 213 First Revised Sheet No. 213

Superseding: Original Sheet No. 213

GENERAL TERMS AND CONDITIONS

20. COMPLAINT PROCEDURES

This Section 20 is required by 18 CFR 250.16:

Complaints by shippers and potential shippers concerning any transportation or sales services offered by Transporter or any of Transporter's transportation or sales practices and procedures should be directed to Transporter's President, at (716) 857-7536. Transporter will respond initially within 48 hours and in writing within 30 days to such complaints. Any person dissatisfied with the response received from the President, should resubmit the complaint, in writing, to:

Legal Counsel for
Empire Pipeline, Inc.
6363 Main Street
Williamsville, NY 14221

Effective Date: 12/10/2008 Status: Effective
 FERC Docket: CP06-5-010

Original Sheet No. 214 Original Sheet No. 214

GENERAL TERMS AND CONDITIONS

21. RECOVERY OF DEFERRED STATE INCOME TAXES

21.1 Effective on the first day of the service month following the month for which Transporter fully recovers its Deferred State Income Tax Balance ("DSITB"), as provided below, Transporter's initial maximum FT base rates applicable to "Other Primary Delivery Points" as shown on Sheet Nos. 6 - 7 and its initial maximum IT base rates applicable to "Other Delivery Points" as shown on Sheet No. 7 shall be revised as follows:

Rate Sch.	Rate Component	Initial Base Rate	Differential	Rev. Initial Base Rate
FT Other Primary Delivery Points				
	Year-Round Reservation	\$5.3888	(\$0.2061)	\$5.1827
	Winter Period Reservation	7.7599	(0.2967)	7.4632
	Summer Period Reservation	3.6952	(0.1413)	3.5539
	Winter Period Overrun	0.2551	(0.0098)	0.2453
	Summer Period Overrun	0.1215	(0.0046)	0.1169
	Secondary Point Winter Commodity	0.1849	0.0097	0.1946
	Secondary Point Summer Commodity	0.1154	0.0047	0.1201
	Secondary Point Annual Commodity	0.1505	0.0068	0.1573
IT Other Delivery Points				
	Winter Commodity	\$0.2551	(\$0.0098)	\$0.2453
	Summer Commodity	0.1215	(0.0046)	0.1169

GENERAL TERMS AND CONDITIONS

21. RECOVERY OF DEFERRED STATE INCOME TAXES (Cont'd.)

- 21.2 Initially, Transporter's DSITB shall equal the amount deferred by Empire State Pipeline in accordance with the New York State Public Service Commission's Order Implementing Tax Law Changes on a Permanent Basis, issued and effective June 28, 2001 in Case No. 00-M-1556, as of the effective date of this tariff. Transporter's DSITB shall be adjusted thereafter as follows:

As Transporter invoices amounts to a shipper for a service subject to the initial base rate components set forth above, or a service provided at discounted or negotiated rates that would otherwise be subject to such initial base rate components, Transporter's DSITB shall be adjusted by the product equal to the negative differentials shown above times the billing quantities associated with such invoiced amounts. A negative differential shall result in a reduction to Transporter's DSITB, but a positive differential shall not result in an increase to Transporter's DSITB.

- 21.3 Transporter shall file revised versions of Sheet Nos. 6 - 7 to reflect the revisions set forth in section 21.1, to be effective on the first day of the month following the service month for which it fully recovers its DSITB.
- 21.4 To the extent that Transporter over-recovers its DSITB due to a time lag between the date full recovery occurs and the effective date of the revised tariff sheets referenced in Section 21.3, Transporter shall credit the invoices of shippers within the scope of Section 21.2 by the adjusted amounts set forth therein. This credit shall be reflected in the invoice for service in the following month.

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FERC Docket: CP06-5-010

Original Sheet No. 216 Original Sheet No. 216

GENERAL TERMS AND CONDITIONS

21. RECOVERY OF DEFERRED STATE INCOME TAXES (Cont'd.)

21.5 Transporter shall file with the Commission:

- a. A report within ninety (90) days of the effective date of this tariff identifying and supporting its initial DSITB, as set forth in Section 21.2;
- b. A report within ninety (90) days of each anniversary of the effective date of this tariff identifying and supporting its DSITB as of such anniversary date and the adjustments thereto under Section 21.2; and
- c. A report within ninety (90) days of the effective date of the revised tariff sheets referenced in Section 21.3 supporting the adjustments to the DSITB under Section 21.2 and any invoice credits in accordance with Section 21.4.

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FERC Docket: CP06-5-010

Original Sheet No. 217 Original Sheet No. 217

GENERAL TERMS AND CONDITIONS

22. PERIODIC REPORTS

Set forth below are the periodic reports required to be filed by Transporter pursuant to Commission orders or this tariff:

Report	Tariff Reference	Frequency	Filing Deadline
Compressor Fuel Factors and Other Gas for Transporter's Use	GT&C § 23.5	Annual	March 1st

Effective Date: 04/21/2010 Status: Effective
FERC Docket: RP10-505-000

Second Revised Sheet No. 218 Second Revised Sheet No. 218
Superseding: First Revised Sheet No. 218

GENERAL TERMS AND CONDITIONS

23. FUEL, COMPANY-USE, AND LOST AND UNACCOUNTED FOR GAS

- 23.1 Transporter's rates set forth on Sheet Nos. 6 and 7 are exclusive of Compressor Fuel and Other Gas for Transporter's Use, which shippers will cause to be furnished to Transporter as set forth in Section 23.
- 23.2 Shippers subject to the Compressor Fuel Factor, as described in Subsection 23.3, will cause Compressor Fuel to be furnished in-kind each day by applying a fuel reimbursement factor to nominations at Point(s) of Receipt, as provided in NAESB Standard 1.3.16. The initial Compressor Fuel Factor shall be 0.21 percent. Thereafter, the Compressor Fuel Factor will be determined monthly as follows: the historical fuel usage at the Transporter's Oakfield Compressor Station will be adjusted for known and expected operational changes to determine projected fuel usage for the month in which the factor is to be effective. The sum of the projected fuel usage and any required true-up adjustment will be divided by projected receipt quantities subject to the Compressor Fuel Factor, as described in Section 23.3. The true-up adjustment will reflect (a) the difference between total fuel used at the Oakfield Compressor Station and net fuel reimbursed two months earlier, and (b) any prior period adjustments to total fuel used and net fuel reimbursed. If, as a result of a true-up adjustment, this calculation results in a negative Compressor Fuel Factor, the applicable Compressor Fuel Factor for such Month shall be zero percent, and the negative balance shall be carried over to the next Month. Transporter shall report the Compressor Fuel Factor applicable during a given Month on its website at least seven calendar days prior to the beginning of that Month.
- 23.3 The Compressor Fuel Factor shall be applicable only to (a) forward-haul shippers under Rate Schedule FT with Primary Point(s) of Delivery located on the Empire Connector, (b) forward-haul shippers under Rate Schedule FT with service agreements for Incremental Capacity on the Original Empire Pipeline, as defined at Section 1.23 of these General Terms and conditions, and (c) forward-haul shippers under Rate Schedule IT with respect to quantities scheduled for delivery at Point(s) of Delivery located on the Empire Connector.

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First Revised Sheet No. 219 First Revised Sheet No. 219

Superseding: Original Sheet No. 219

GENERAL TERMS AND CONDITIONS

23. FUEL, COMPANY-USE, AND LOST AND UNACCOUNTED FOR GAS (Cont'd.)

23.4 Other Gas For Transporter's Use shall be included as an adjustment in the calculation of Shipper's cumulative imbalance as of the end of each Month. This adjustment shall reflect Other Gas for Transporter's Use for each Month, as well as any adjustments to the quantity and/or allocation of Other Gas for Transporter's Use determined for prior Months.

23.5 On or before March 1st of each year, Transporter shall file an annual report for the prior calendar year in support of the Compressor Fuel Factors and Other Gas for Transporter's Use in effect during such year.

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FERC Docket: RP10-505-000

First Revised Sheet No. 220 First Revised Sheet No. 220
Superseding: Original Sheet No. 220

GENERAL TERMS AND CONDITIONS

24. COMBINATION AND MUTUAL TERMINATION OF AGREEMENTS

24.1 Combination of Service Agreements

Transporter and Shipper may mutually agree on a not unduly discriminatory basis to (i) different termination dates for specified quantities within the same service agreement and/or (ii) combine service agreements under the same rate schedule into a single service agreement with different termination dates for specified quantitative portions of Shipper's maximum quantity. Transporter and Shipper may mutually agree to combine service agreements only to the extent that each individual service agreement's rates, terms, and conditions can be distinctly maintained and will not be altered by the combination. For each service agreement executed in accordance with this Section 24, each of the varying termination dates and associated quantities will be set forth on a separate Exhibit A thereto. Each component with a different termination date for a specified quantitative portion of Shipper's maximum quantity within the same service agreement and reflected in a separate Exhibit A will be regarded as a single service agreement for purposes of Shipper's exercise of any Right of First Refusal under the provisions of Section 15 of these General Terms and Conditions. In the event of a constraint or other occurrence that precludes combined nominations or allocations, Transporter may advise shippers under such combined service agreements that capacity must be nominated separately, and is subject to separate allocation, pursuant to the terms of each separate Exhibit A of each service agreement. Each Exhibit A of each combined service agreements will be identified by its original contract number or such other identification convention determined to be applicable by Transporter.

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First Revised Sheet No. 221 First Revised Sheet No. 221
Superseding: Original Sheet No. 221

GENERAL TERMS AND CONDITIONS

24. COMBINATION AND MUTUAL TERMINATION OF AGREEMENTS (Cont'd.)

24.2 Mutual Termination or Reduction of Service Agreements

Transporter may, on a not unduly discriminatory basis, agree with a Shipper to terminate its service agreement prior to its expiration date or to reduce the contract quantity thereunder. The situations in which Transporter may so agree include, without limitation, the following:

- (a) where shipper responds to a solicitation for capacity release offers in an open season for capacity requiring the construction of new facilities pursuant to Section 17 of these General Terms and Conditions, and the conditions set forth in the solicitation have been satisfied;
- (b) where shipper no longer qualifies for service pursuant to Section 2.1 of these General Terms and Conditions;
- (c) where the termination of the service agreement is part of a restructuring of services between Transporter and Shipper, involving the execution of one or more new service agreements or the extension of one or more other existing service agreements, which Transporter reasonably considers financially beneficial to Transporter; or
- (d) where shipper agrees to pay an exit fee that is sufficient, taking into account the remaining term of the agreement and the value and liquidity of the capacity subscribed under the service agreement being terminated or reduced, to make the termination or reduction financially beneficial to Transporter, in Transporter's reasonable judgment; provided, however, that Transporter may waive the exit fee where Shipper's service agreement provides for a discounted rate and Transporter concludes that the capacity subscribed thereunder would be sold at a higher rate for the full remaining term of such agreement.

An agreement under this Section 24.2 shall not constitute a material deviation from the applicable form of service agreement.

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Original Sheet No. 222 Original Sheet No. 222

GENERAL TERMS AND CONDITIONS

25. NON-CONFORMING SERVICE AGREEMENTS

The following service agreements contain one or more currently effective provisions that differ materially from the applicable Form of Service Agreement contained in this Tariff.

Name of Shipper	Agreement Number	Rate Schedule
KeySpan Gas East Corp. d/b/a KeySpan Energy Delivery Long Island	F11102	FT

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 223 Original Sheet No. 223

GENERAL TERMS AND CONDITIONS

26. PRESSURE

- (a) Transporter shall deliver gas at each delivery point to or for the account of Shipper at the pressure which shall be available from time to time in Transporter's pipeline, less any pressure reduction that may occur through any measurement, flow control, regulation or other appurtenant facilities that are owned by Transporter; provided, however, that Transporter and a firm Shipper may mutually agree to a specific minimum delivery pressure for a stated period at any delivery point or points which Transporter shall agree to meet or exceed, and where necessary, upon specified conditions to ensure that such agreement does not have any adverse effects on Transporter's system. Transporter's obligation to meet or exceed this minimum delivery pressure shall be contingent upon total deliveries at the particular delivery point or points not exceeding the sum of the maximum quantities, applicable to such point, of all Shippers with firm service agreements specifying such point as a primary delivery point. Transporter may meet or exceed the specified minimum delivery pressure if deliveries at the delivery point or points are in excess of such sum, but shall have no obligation to do so. If Transporter and Shipper agree to a specific minimum delivery pressure obligation for a stated period, the pressure obligation and any conditions will be specified in the service agreement in the blank spaces provided in the Form of Service Agreement. Transporter may at any time, and from time to time, exceed a minimum delivery pressure obligation it has made to a Shipper. Transporter also may operate its facilities at less than the minimum delivery pressure obligation made to a Shipper when maintenance of the minimum pressure is not necessary to effect delivery of scheduled quantities up to the maximum quantity specified in Shipper's service agreement. If Transporter and a Shipper are unable to mutually agree upon a minimum pressure commitment, Transporter will, upon request from that Shipper, provide a written explanation concerning the operational reasons for the denial.

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 224 Original Sheet No. 224

GENERAL TERMS AND CONDITIONS

26. PRESSURE (Cont'd.)

- (b) Shipper shall deliver gas or cause gas to be delivered to Transporter at the receipt point(s) at a pressure sufficient to allow the gas to enter Transporter's pipeline, as such pressure shall vary from time to time, provided, however, that such pressure shall not exceed any maximum pressure determined by Transporter from time to time. Transporter shall not be required to compress into its pipeline gas transported under any rate schedule, or otherwise change its normal pipeline operations. At each receipt point, Shipper shall provide, or cause to be provided, equipment acceptable to Transporter that will prevent overpressuring of Transporter's pipeline. Transporter and Shipper may agree to a specific minimum receipt pressure for a stated period at any point or points, below which Transporter is not obligated to receive gas from or on behalf of Shipper, and where necessary, upon specified conditions to ensure that such agreement does not have any adverse effect on Transporter's system. If Transporter and Shipper agree to a specific minimum receipt point pressure obligation for a stated period, the pressure obligation and any conditions will be specified in the service agreement in the blank spaces provided in the Form of Service Agreement. If Transporter and a Shipper are unable to mutually agree upon a minimum pressure commitment, Transporter will, upon request from that Shipper, provide a written explanation concerning the operational reasons for the denial.
- (c) Transporter will not enter into minimum pressure obligations or conditions that will adversely affect Transporter's ability to meet its firm service obligations to an existing Shipper.

Effective Date: 08/01/2009 Status: Effective
FERC Docket: RP09-722-000

First Revised Sheet No. 225 First Revised Sheet No. 225
Superseding: Original Sheet No. 225

GENERAL TERMS AND CONDITIONS

27. INDUSTRY STANDARDS

The following NAESB Standards are not specifically addressed in individual tariff provisions and are hereby incorporated by reference into these General Terms and Conditions:

NAESB Standard	Version No.
0.2.1 - 0.2.3	1.8
0.3.1 - 0.3.10	1.8
0.3.11 - 0.3.15	1.8
0.4.1	1.8
1.2.1 - 1.2.6	1.8
1.2.8 - 1.2.19	1.8
1.3.2(v) & (vi)	1.8
1.3.3	1.8
1.3.5	1.8
1.3.7	1.8
1.3.9	1.8
1.3.11	1.8
1.3.14 - 1.3.17	1.8
1.3.20 - 1.3.33	1.8
1.3.35 - 1.3.77	1.8
1.3.79	1.8
1.4.1 - 1.4.7	1.8
2.2.1 - 2.2.5	1.8
2.3.1 - 2.3.23	1.8
2.3.25	1.8
2.3.27 - 2.3.35	1.8
2.3.40 - 2.3.65	1.8
2.4.1 - 2.4.18	1.8
3.3.1 - 3.3.8	1.8
3.3.10 - 3.3.14	1.8
3.3.16 - 3.3.17	1.8
3.3.20 - 3.3.26	1.8
3.4.1 - 3.4.4	1.8

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FERC Docket: RP09-722-000

First Revised Sheet No. 226 First Revised Sheet No. 226
Superseding: Original Sheet No. 226

GENERAL TERMS AND CONDITIONS

27. INDUSTRY STANDARDS (Cont'd.)

NAESB Standard	Version No.
4.2.1 - 4.2.20	1.8
4.3.1 - 4.3.3	1.8
4.3.5	1.8
4.3.16 - 4.3.18	1.8
4.3.20	1.8
4.3.22 - 4.3.36	1.8
4.3.38 - 4.3.62	1.8
4.3.65 - 4.3.69	1.8
4.3.78 - 4.3.87	1.8
4.3.89 - 4.3.93	1.8
5.2.1 - 5.2.2	1.8
5.3.7	1.8
5.3.9	1.8
5.3.17 - 5.3.23	1.8
5.3.29 - 5.3.43	1.8
5.3.46 - 5.3.53	1.8
5.3.56	1.8
5.3.58 - 5.3.60	1.8
5.4.1 - 5.4.23	1.8
10.2.1 - 10.2.38	1.8
10.3.1	1.8
10.3.3 - 10.3.25	1.8

*Transporter hereby incorporates the NAESB Model EDI Trading Partner Agreement.

Effective Date: 12/10/2008 *Status: Effective*

FERC Docket: CP06-5-010

Sheet Nos. 227 - 228 Sheet Nos. 227 - 228

SHEET NOS. 227 - 228 ARE RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

28. MISCELLANEOUS

- 28.1 Assignments. Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter, as the case may be, shall if eligible be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement; and either party may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, or similar instrument which it has executed or may execute hereafter covering substantially all of its properties; otherwise neither party shall assign this Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other party; provided further, however, that neither party shall be released from its obligations hereunder without the consent in writing of the other party. Shipper may release capacity pursuant to Section 12 of these General Terms and Conditions. Transporter also may agree to other amendments or cancellations of agreements hereunder.
- 28.2 Regulations. Any Agreement, and all terms and provisions herein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 28.3 Responsibility for Gas. Shipper shall be deemed in exclusive control and possession of the Gas until such Gas has been delivered to Transporter at the Point of Receipt and after such Gas has been redelivered to or for the account of Shipper at the Point of Delivery. Transporter shall be in exclusive control and possession of such Gas between the Point(s) of Receipt and the Point(s) of Delivery set forth in this Agreement. The party which shall be in exclusive control and possession of such Gas shall be responsible for all injury or damage caused thereby to any third party.

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 230 Original Sheet No. 230

GENERAL TERMS AND CONDITIONS

28. MISCELLANEOUS (Cont'd.)

- 28.4. Indemnification of Transporter. In the absence of gross negligence or willful misconduct on the part of Transporter's officers, employees or agents, Shipper waives and indemnifies against any and all claims against Transporter, its officers, employees or agents, arising out of or in any way connected with (i) the quality, use or condition of the Gas after delivery from Transporter's line for the account of such Shipper, and (ii) with respect to third-party claims, any losses or shrinkage of Gas during or resulting from transportation hereunder; Shipper agrees to supply Transporter with a waiver of subrogation of Shipper's insurance company for all claims subject to the indemnification and the save harmless provisions covered by this paragraph.
- 28.5. Warranty. Shipper warrants for itself, its successors, and assignees, that it has, or will have, at the time of delivery of the Gas for transportation hereunder, good title to such Gas to be delivered to Transporter for Transportation, or, where a waiver of the Commission's shipper-must-have-title is applicable, the contractual right to allow and cause such gas to be delivered to and transported by Transporter. Shipper warrants for itself, its successors, and assigns, and any person(s) which grant such contractual right to Shipper, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are directly applicable to such delivery of Gas and that it will indemnify and save Transporter harmless from all taxes or assessments which may be directly levied and assess upon such delivery and which are by law payable and the obligation of the party making such delivery. The reference to taxes and assessments in this section is not intended to include taxes or assessments on the income, profits, or assets on an ad valorem basis of Transporter.

GENERAL TERMS AND CONDITIONS

28. MISCELLANEOUS (Cont'd.)

28.6 Force Majeure

(a) Definition. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), crevasses, floods, washouts; arrests and restraints of the government, either Federal or State, civil or military; and civil disturbances. Relative to Transporter's service and solely to the operation of its system, force majeure shall also mean shutdowns for purposes of necessary unplanned, emergency repairs, relocation, or construction of facilities; breakage or accident to machinery or lines of pipe; the necessity for testing (as required by governmental authority or as deemed necessary by Transporter for the safe operation thereof), the necessity of making unplanned, emergency repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of this Agreement, rights of way; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Transporter's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.

(b) Force Majeure. If by reason of force majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, it is agreed that if such party gives notice in full particulars of such force majeure in writing or by telecopy to the other party within

GENERAL TERMS AND CONDITIONS

28. MISCELLANEOUS (Cont'd.)

a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such force majeure, shall not be liable for damages during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch. Transporter shall not be liable for damages to Shipper other than for acts of gross negligence or willful misconduct, and only in circumstances in which conditions of force majeure do not exist.

- (c) Limitations. Such force majeure affecting the performance hereunder by either Transporter or Shipper, however, shall not relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Shipper from its obligations to make payments then due or becoming due under this agreement.

28.7 Waiver

- (a) Discretionary Waiver. Transporter may waive any of its rights hereunder or any obligations of Shipper as to any specific default that has already occurred, or case-by-case in advance as to any specific, temporary operational problem, on a basis that is not unduly discriminatory.
- (b) Non-Waiver. Notwithstanding the foregoing, no waiver by either Transporter or Shipper of any one or more defaults by the other in performance of any of the provisions of an effective 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: 12/10/2008 *Status: Effective*

FERC Docket: CP06-5-010

Sheet Nos. 233 - 300 Sheet Nos. 233 - 300

SHEET NOS. 233 - 300 ARE RESERVED FOR FUTURE USE

Effective Date: 04/21/2010 Status: Effective
FERC Docket: RP10-505-000

First Revised Sheet No. 301 First Revised Sheet No. 301
Superseding: Original Sheet No. 301

FORM OF SERVICE AGREEMENT
(FT Service)

AGREEMENT made this __ day of _____, 200__, by and between EMPIRE PIPELINE, INC., a New York corporation, hereinafter called "Transporter" and _____, a _____, hereinafter called "Shipper." (Transporter and Shipper may be referred to individually as a "Party" and collectively as the "Parties".)

WHEREAS, Shipper has requested that Transporter transport natural gas; and

WHEREAS, Transporter has agreed to provide such transportation for Shipper subject to the terms and conditions hereof.

WITNESSETH: That, in consideration of the mutual covenants herein contained, the parties hereto agree that Transporter will transport for Shipper, on a firm basis, and Shipper will furnish, or cause to be furnished, to Transporter natural gas for such transportation during the term hereof, at the prices and on the terms and conditions hereinafter provided.

ARTICLE I

Quantities

Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Transporter's FT Rate Schedule, Transporter agrees to receive for Shipper's account for transportation up to the following quantities of natural gas:

Contract Maximum Daily Quantity (MDQ) of _____ Dekatherms (Dth)

[Any differing levels of Contract MDQ, and the corresponding applicable time periods, pursuant to Section 2.12 of the FT Rate Schedule, shall appear at this point].

Transporter agrees to deliver for Shipper's account and Shipper agrees to accept delivery of the above quantities. Shipper also agrees to deliver applicable quantities described in Section 23 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 302 Original Sheet No. 302

FORM OF SERVICE AGREEMENT
(FT Service)

ARTICLE II

Rate

Unless otherwise mutually agreed in a written amendment to this Agreement for the service provided by Transporter hereunder, or in a negotiated rate agreement set forth in Exhibit B hereto, Shipper shall pay Transporter the maximum rate provided under Rate Schedule FT set forth in Transporter's effective FERC Gas Tariff.

In the event that Transporter places on file with the Federal Energy Regulatory Commission ("Commission") another rate schedule which may be applicable to transportation service rendered hereunder, then Transporter, at its option, may from and after the effective date of such rate schedule, utilize such rate schedule in performance of this Agreement. Such a rate schedule(s) or superseding rate schedule(s) and any revisions thereof which shall be filed and become effective shall apply to and be a part of this Agreement. Transporter shall have the right to propose, file and make effective with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule(s), or to propose, file, and make effective superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Shipper. Nothing herein contained shall be construed to deny Shipper any rights it may have under applicable law, including the right to participate fully in rate proceedings by intervention or otherwise to contest increased rates in whole or in part.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 303 Original Sheet No. 303

FORM OF SERVICE AGREEMENT
(FT Service)

ARTICLE III

Term of Agreement

This Agreement shall be effective upon the date hereof. Service hereunder shall commence _____ ("Commencement Date") and continue in effect for a [primary] term ending _____. [, and shall continue in effect thereafter unless and until terminated by either Shipper or Transporter upon _____ months advance written notice specifying as the termination date the expiration of the primary term or any anniversary thereof]. As of the Commencement Date, Transporter will stand ready to provide transportation service for Shipper pursuant to the terms of this Agreement, and Shipper shall be responsible for all charges hereunder, notwithstanding the status of any facilities being constructed by others to provide upstream or downstream transportation of gas to be transported hereunder.

[Any agreement pursuant to the first sentence of Section 15.1 of the General Terms and Conditions shall appear at this point].

ARTICLE IV

Points of Receipt and Delivery

The Point(s) of Receipt for all gas that may be received for Shipper's account for transportation by Transporter, and the MDQ applicable to each point of receipt, shall be: See Exhibit A.

The Point(s) of Delivery for all gas to be delivered by Transporter for Shipper's account and the MDQ applicable to each point of delivery shall be: See Exhibit A.

For purposes of Section 2.8 of the FT Rate Schedule, Shipper's transportation path and the eligible receipt and delivery points along such path are as follows: See Exhibit A.

FORM OF SERVICE AGREEMENT
(FT Service)

ARTICLE VII (Cont'd.)

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Transporter: Empire Pipeline, Inc.
Attn: Empire Contract Administration Department
6363 Main Street
Williamsville, New York 14221

Shipper:

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail, electronic communication, or telecommunication.

FORM OF SERVICE AGREEMENT
(FT Service)

ARTICLE VII (Cont'd.)

5. Transporter shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Transporter reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).

6. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

7. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

8. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

9. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.

10. The Parties' obligations hereunder are not subject to the availability of transportation services upstream and downstream of Transporter's system. Shipper assumes all responsibility for the arrangement of any such upstream and downstream service.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 307 Original Sheet No. 307

FORM OF SERVICE AGREEMENT
(FT Service)

ARTICLE VII (Cont'd.)

11. It is expressly agreed that there is no Third Party Beneficiary of this Agreement, and that the provisions of this Agreement and the General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to this Agreement.

12. Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

13. This Agreement supersedes and cancels the following contract(s) between the Parties to be effective _____.

[14. - 15.] [If service is provided under Subpart 284B of the Commission's Regulations, a reference thereto would be inserted here.]

[Where Transporter and Shipper agree that their service agreement will be subject to the provisions of Section 15 of the General Terms and Conditions, the following provisions will be inserted:

Transporter and Shipper agree that this Agreement shall be treated as a Qualifying Agreement for purposes of Section 15 of the General Terms and Conditions.]
[include any restrictions on Shipper's right of first refusal here]

[If Transporter and Shipper have entered into credit and/or reimbursement agreements in connection with a facility construction project, a cross-reference may appear here.]

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 308 Original Sheet No. 308

FORM OF SERVICE AGREEMENT
(FT Service)

The parties hereto have caused this Agreement to be signed by their
duly authorized personnel the day and year first above written.

EMPIRE PIPELINE, INC.
(Transporter)

Signature:
Name:
Title:

(Shipper)

Signature:
Name:
Title:

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 309 Original Sheet No. 309

FORM OF SERVICE AGREEMENT
(FT Service)

EXHIBIT A
To FT Service Agreement # _____
between
Empire Pipeline, Inc. ("Transporter")
and
_____ ("Shipper")

Point(s) of Receipt

Point	MDTQ	Pressure
The interconnection between Transporter and _____.	_____ Dth / Day	[Insert minimum receipt pressure if applicable, and any applicable conditions or time periods]

Point(s) of Delivery

Point	MDTQ	Pressure
The interconnection between Transporter and _____.	_____ Dth / Day	[Insert minimum delivery pressure if applicable, and any applicable conditions or time periods]

Transportation Path

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Sheet Nos. 310 - 335 Sheet Nos. 310 - 335

SHEET NOS. 310 - 335 ARE RESERVED FOR FUTURE USE

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 336 Original Sheet No. 336

FORM OF SERVICE AGREEMENT
(IT Service)

AGREEMENT made this ___ day of _____, 200__, by and between EMPIRE PIPELINE, INC., a New York corporation, hereinafter called "Transporter" and _____, a _____, hereinafter called "Shipper."

WHEREAS, Shipper has requested that Transporter transport natural gas; and

WHEREAS, Transporter has agreed to provide such transportation for Shipper subject to the terms and conditions hereof.

WITNESSETH: That, in consideration of the mutual covenants herein contained, the parties hereto agree that Transporter will transport for Shipper, on an interruptible basis, and Shipper will furnish, or cause to be furnished, to Transporter natural gas for such transportation during the term hereof, at the prices and on the terms and conditions hereinafter provided.

ARTICLE I

Quantities

Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Transporter's IT Rate Schedule, Transporter agrees to receive for Shipper's account for transportation up to the following quantities of natural gas:

Maximum Daily Quantity (MDQ) of _____ Dekatherms (Dth)

Transporter agrees to deliver for Shipper's account and Shipper agrees to accept delivery of the quantities received from Shipper. Shipper also agrees to deliver applicable quantities described in Section 23 of the General Terms and Conditions of Transporter's effective FERC Gas Tariff.

Effective Date: 08/01/2009 Status: Effective
FERC Docket: RP09-801-000

First Revised Sheet No. 337 First Revised Sheet No. 337
Superseding: Original Sheet No. 337

FORM OF SERVICE AGREEMENT
(IT Service)

ARTICLE II

Rate

Unless otherwise mutually agreed in a written amendment to this Agreement, for the service provided by Transporter hereunder, [and except as provided below] Shipper shall pay Transporter the applicable posted rate pursuant to Section 3.6 of Rate Schedule IT, if any, subject to the limitations of such section and such posting, or otherwise the maximum rate provided under Rate Schedule IT set forth in Transporter's effective FERC Gas Tariff. [Additional rate-related provisions may be inserted here.]

In the event that Transporter places on file with the Federal Energy Regulatory Commission ("Commission") another rate schedule which may be applicable to transportation service rendered hereunder, then Transporter, at its option, may from and after the effective date of such rate schedule, utilize such rate schedule in performance of this Agreement. Such a rate schedule(s) or superseding rate schedule(s) and any revisions thereof which shall be filed and become effective shall apply to and be a part of this Agreement. Transporter shall have the right to propose, file and make effective with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule(s), or to propose, file, and make effective Superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Shipper.

ARTICLE III

Term of Agreement

This Agreement shall be effective as of _____ and shall continue in effect until _____, and shall continue in effect thereafter until terminated by either Shipper or Transporter upon thirty (30) days notice to the other party.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 338 Original Sheet No. 338

FORM OF SERVICE AGREEMENT
(IT Service)

ARTICLE IV

Points of Receipt and Delivery

The Point(s) of Receipt for all gas received for Shipper's account for transportation by Transporter shall be:

The Point(s) of Delivery for all gas delivered by Transporter for Shipper's account shall be:

ARTICLE V

Regulatory Approval

Performance under this Agreement by Transporter and Shipper shall be contingent upon Transporter receiving the following regulatory or other governmental approvals upon terms satisfactory to Transporter:
_____ Should Transporter be denied such approvals to provide the service contemplated herein or construct and operate any necessary facilities therefor upon the terms and conditions requested in the application therefor or other terms and conditions acceptable to Transporter, then Transporter's and Shipper's obligations hereunder shall terminate.

[If the Agreement requires no regulatory or other governmental approvals, this article may provide "Not Applicable"]

ARTICLE VI

Incorporation By Reference of Tariff Provisions

To the extent not inconsistent with the terms and conditions of this agreement, the provisions of Rate Schedule IT, including any provisions of the General Terms and Conditions incorporated therein, or any effective superseding rate schedule or otherwise applicable rate schedule, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 339 Original Sheet No. 339

FORM OF SERVICE AGREEMENT
(IT Service)

ARTICLE VII

Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 440 Original Sheet No. 440

FORM OF SERVICE AGREEMENT
(IT Service)

ARTICLE VII (Cont'd.)

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Transporter: Empire Pipeline, Inc.
Attn: Empire Contract Administration Department
6363 Main Street
Williamsville, New York 14221

Shipper:

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, ordinary mail, electronic communication, or telecommunication.

5. Transporter shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Transporter reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).

6. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 441 Original Sheet No. 441

FORM OF SERVICE AGREEMENT
(IT Service)

ARTICLE VII (Cont'd.)

7. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

8. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

9. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.

10. It is expressly agreed that there is no Third Party Beneficiary of this Agreement, and that the provisions of this Agreement and the General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to this Agreement.

11. Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

12. This Agreement supersedes and cancels the following contract(s) between the Parties to be effective _____.

[13.] [If service is provided under Subpart 284B of the Commission's Regulations, a reference thereto would be inserted here.]

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Original Sheet No. 442 Original Sheet No. 442

FORM OF SERVICE AGREEMENT
(IT Service)

The parties hereto have caused this Agreement to be signed by their
duly authorized personnel the day and year first above written.

EMPIRE PIPELINE, INC.
(Transporter)

Signature:
Name:
Title:

(Shipper)

Signature:
Name:
Title:

Effective Date: 12/10/2008 Status: Effective

FERC Docket: CP06-5-010

Sheet Nos. 443 - 493 Sheet Nos. 443 - 493

SHEET NOS. 443 - 493 ARE RESERVED FOR FUTURE USE

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 494 Original Sheet No. 494

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

AGREEMENT made this ____ day of _____, _____, by and between Empire Pipeline, Inc., a New York corporation, hereinafter called "Transporter", and _____, a _____, hereinafter called "Shipper".

WHEREAS, Shipper has requested that Transporter provide transportation or storage service on its behalf in the event that Shipper is awarded by Transporter capacity released by one or more other firm transportation or storage customers of Transporter pursuant to Section ____ of the General Terms and Conditions of Transporter's FERC Gas Tariff; and

WHEREAS, Transporter agrees to provide such transportation or storage service subject to the terms and conditions hereof.

WITNESSETH: That, in consideration of the mutual covenants herein contained, and subject to the terms and conditions hereof, the parties hereto agree that Transporter will transport or store gas for Shipper, on a firm basis.

ARTICLE I

Scope of Agreement

Shipper and Transporter acknowledge that this is a Master Service Agreement entered into pursuant to Section ____ of the General Terms and Conditions of Transporter's FERC Gas Tariff. Upon Shipper's acceptance of a capacity release award communicated by Transporter, Shipper shall be bound by the terms of the source service agreement between Transporter and the releasing shipper, subject to any limitations or conditions stated in Transporter's capacity release award. The acceptance of a capacity release award by Shipper shall not, in and of itself, relieve the releasing shipper of further obligations under the source service agreement.

ARTICLE II

Quantities

To be specified in the applicable capacity award, not to exceed the quantities specified in the source service agreement between Transporter and the releasing shipper.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 495 Original Sheet No. 495

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

ARTICLE III

Authority for Transportation Service

To be specified in the applicable Award Notice.

(To the extent Shipper desires to utilize receipt/delivery points pursuant to Part 284 B (Section 311 of the NGPA and Section 284.102 of the Commission's regulations), Shipper must execute a separate agreement with Transporter and Shipper must also certify that the transportation of gas will be on behalf of either an intrastate pipeline or a local distribution company.)

ARTICLE IV

Rate Schedule

To be specified in the applicable Award Notice.

ARTICLE V

Term of Agreement

This Agreement shall be effective on the date hereof, and shall remain in effect unless and until terminated by either Shipper or Transporter upon thirty (30) days' notice. Termination of this Master Service Agreement shall terminate Shipper's status as a preapproved bidder pursuant to Section __ of the General Terms and Conditions of Transporter's FERC Gas Tariff, but shall have no effect upon any capacity release transactions in effect as of the effective date of such termination.

The term of any particular release transaction shall be as specified in Transporter's capacity release award. Such term shall be subject to the exercise by the releasing Shipper of any right(s) it may have to recall its capacity or suspend or terminate the particular release transaction, and Transporter shall be authorized to rely upon any communication(s) from the releasing Shipper concerning such matters.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 496 Original Sheet No. 496

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

ARTICLE VI

Rates

The reservation, capacity or demand charge (or volumetric equivalent thereof) applicable to Shipper for service provided to and from primary receipt and primary delivery points and secondary receipt and delivery points identified in Transporter's capacity release award shall be as stated in Transporter's capacity release award. Unless Transporter shall agree otherwise, the reservation, capacity or demand charge (or volumetric equivalent thereof) applicable to Shipper for service provided to or from a secondary receipt or delivery point not identified in Transporter's capacity release award shall be at the maximum rates provided under the rate schedule applicable to the source service agreement.

The commodity, injection, withdrawal, surface operating allowance, and fuel, loss and company use allowance and other variable charges and any other related fees or surcharges shall be at the maximum rates provided under the rate schedule applicable to the source service agreement.

ARTICLE VII

Points of Receipt and Delivery

Transporter's capacity release award shall indicate the primary or secondary receipt and delivery points applicable to a particular release transaction. Gas pressures for each receipt and delivery point shall be as stated in the source service agreement. If Shipper is awarded capacity subject to Transporter's FT Rate Schedule, the capacity release award shall indicate the eligible secondary receipt and delivery points located along Shipper's transportation path for purposes of Section 2.5 of such rate schedules.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 497 Original Sheet No. 497

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

ARTICLE VIII

Communications

Shipper may accept capacity release awards hereunder (i) by execution of the award by an officer or authorized representative of Shipper and facsimile transmission of the executed award to Transporter at the number designated by Transporter; or (ii) by accepting the award on-line via Transporter's Web Site. Shipper acknowledges that any on-line acceptance communicated by a person accessing Transporter's Web Site using a user ID and unique password supplied by Transporter to Shipper shall constitute an acceptance of the award by Shipper, even if the person communicating such acceptance is not under Shipper's employment or control at such time. To prevent unauthorized access, Shipper shall be responsible for securing physical access to Transporter's Web Site and to keep confidential its user ID(s) and password(s) provided by Transporter.

Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or in a service agreement, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Transporter:

Shipper:

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail, electronic communication, or telecommunication.

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

ARTICLE IX

Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas-related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

5. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 499 Original Sheet No. 499

FORM OF
MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

ARTICLE IX

Miscellaneous
(Cont'd)

6. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

7. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.

The parties hereto have caused this Agreement to be signed by their duly authorized personnel the day and year first above written.

EMPIRE PIPELINE, INC.
(Transporter)

Signature:
Name:
Title:

(Shipper)

Signature:
Name:
Title:

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 500 Original Sheet No. 500

FORM OF
TITLE TRANSFER TRACKING NOMINATIONS
PROCESSING AGREEMENT

AGREEMENT made this ____ day of _____, _____, by and between EMPIRE PIPELINE, INC., a New York corporation, hereinafter called "Transporter", and _____, a _____, hereinafter called "Title Transfer Party."

WHEREAS, Title Transfer Party has requested that Transporter enter into this Agreement, under which Transporter shall accept and process Title Transfer Tracking Nominations ("TTT Noms") from Title Transfer Party, pursuant to and subject to the provisions of Section 4.1(e) of the General Terms and Conditions of Transporter's FERC Gas Tariff.

WITNESSETH: That, in consideration of the mutual covenants herein contained, and subject to the terms and conditions hereof, the parties hereto agree as follows:

ARTICLE I

Scope of Agreement

Title Transfer Party and Transporter acknowledge that this is a Title Transfer Tracking Nominations Processing Agreement entered into pursuant and subject to Section 4.1(e) of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such section, which is incorporated herein by reference, sets forth the rights and obligations of the parties hereto, as supplemented by the terms and conditions of this Agreement.

ARTICLE II

Term

Upon the date of execution by the last of the parties identified on the first page hereof, this Agreement shall be effective, and it shall remain in effect on a month to month basis until terminated by either party by written notice to the other no later than thirty (30) days prior to the beginning of a calendar month.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 501 Original Sheet No. 501

FORM OF
TITLE TRANSFER TRACKING NOMINATIONS
PROCESSING AGREEMENT

ARTICLE III

Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas-related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

5. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

Effective Date: 12/10/2008 Status: Effective
FERC Docket: CP06-5-010

Original Sheet No. 502 Original Sheet No. 502

FORM OF
TITLE TRANSFER TRACKING NOMINATIONS
PROCESSING AGREEMENT

ARTICLE III

Miscellaneous
(Cont'd)

6. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

7. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO THE LAW REGARDING THE CONFLICT OF LAWS.

The parties hereto have caused this Agreement to be signed by their duly authorized personnel the day and year first above written.

EMPIRE PIPELINE, INC.
(Transporter)

Signature:
Name:
Title:

(Title Transfer Party)

Signature:
Name:
Title:

