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BUFFALO WALLOW GENERAL TERMS AND CONDITIONS FOR SERVICES

1. APPLICATION AND AVAILABILITY

The following Buffalo Wallow General Terms and Conditions apply to the extent indicated and to the extent not superseded by inconsistent provisions in each of Transporter's Buffalo Wallow Rate Schedules.

2. DEFINITIONS

The following terms shall have the meanings defined below:

- 2.1 "Aggregation Pool" means the entire Buffalo Wallow System for purposes of the Aggregation Pooling Service as described in Section 22.5 of these Buffalo Wallow General Terms and Conditions.
- 2.2 "Approved Daily Nomination" is that quantity of gas which Transporter has approved to be transported on a particular day.
- 2.3 "Balance" and "Balancing" means the Shipper's obligation to cause deliveries to equal receipts, with due consideration given to any Fuel Reimbursement Quantities, and other deductions.
- 2.4 "British Thermal Unit" ("Btu") is the amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at fifty-nine (59) degrees Fahrenheit.
- 2.5 "Buffalo Wallow System" or "Buffalo Wallow Market Center" means that system of Transporter's pipeline which extends from Hemphill County Texas through Roger Mills and Dewey Counties in Oklahoma, ending in Custer County, Oklahoma through which Transporter will perform certain market center services as described within this tariff.
- 2.6 "Capacity" means the gas volume which any particular segment of the Transporter's facilities can accommodate based on Transporter's reasonable judgment.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- 2.7 "Company-used Gas" means the quantity of gas consumed by the Transporter as fuel and for other purposes in its gas operations, not including lost and unaccounted for gas.
- 2.8 "Cubic Foot of Gas" is the amount of gas necessary to fill a one cubic foot of space when the gas is at a temperature of sixty (60) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch.
- 2.9 "Curtailment" is used interchangeably with the term "interruption".
- 2.10 "Day" is a period of twenty-four (24) consecutive hours beginning and ending at 8 a.m. CST or at such other hour as Shipper and Transporter may agree upon.
- 2.11 "FERC" or "Commission" means the Federal Energy Regulatory Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the Federal Energy Regulatory Commission.
- 2.12 "Gas" or "Natural Gas" is any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane; or all merchantable gases that conform to the quality specifications set forth in these General Terms and Conditions.
- 2.13 "Total Dry Heating Value" is the number of Btus produced by complete combustion, at a constant pressure, of the amount of gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion has condensed to the liquid state.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- 2.14 "Imbalance" means the difference between the Total Energy Content in MMBtu of transportation gas received by the Transporter for the Shipper's account and the Total Energy Content in MMBtu of transportation gas delivered by the Transporter to the Shipper or for the Shipper's account at the Shipper's Delivery Point, with due regard given to any Fuel Reimbursement Quantities, and other deductions.
- 2.15 "Interested Party(ies)" means for purposes of Section 3 of these General Terms and Conditions, a Shipper or potential Shipper on the Buffalo Wallow System.
- 2.16 "Interruptible" means that Transporter has the right to stop, in whole or in part, receipt, transportation, or delivery of natural gas at any time. Transporter shall provide as much advance notice as is practical to Shipper, except as may otherwise be specifically provided for in this Buffalo Wallow Tariff.
- 2.17 "Interruption" means suspension, either in total or in part, of service due to the Transporter's inability to provide service to a Shipper based upon Transporter's reasonable judgment.
- 2.18 "Lost and Unaccounted-For Gas" means the difference between the sum of all input quantities of gas received into Transporter's system and the sum of all output quantities of gas delivered from Transporter's system, which difference shall exclude company-used gas and shall include, but not be limited to, gas vented, storage lost, and loss as a result of an event of force majeure.
- 2.19 "MMBtu" or "dekatherm" ("Dkt") is one million (1,000,000) British thermal units.
- 2.20 "Month" is a period beginning at 8:00 eight o'clock a.m. (CST) or at such other hour as Shipper and Transporter have agreed upon, on the first day of the calendar month and ending at the same time on the first day of the next month.

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- 2.21 "Monthly Billing Period" is the calendar month.
- 2.22 "Operational Balancing Agreement" ("OBA") means a contract between Transporter and the entity ("OBA Party") operating the facilities at a point(s) of interconnection with Transporter's system which describes the manner in which differences between actual flows and nominated quantities will be resolved between Transporter and the OBA Party.
- 2.23 "Party" means Shipper or Transporter.
- 2.24 "Point of Delivery" or "Delivery Point" is the point where Transporter delivers gas to Shipper (or for Shipper's account) that has been transported by Transporter for Shipper.
- 2.25 "Point of Receipt" or "Receipt Point" means the point where Transporter receives gas from Shipper (or for Shipper's account) to be transported by Transporter for Shipper.
- 2.26 "PSI" is the pressure measured in pounds per square inch.
- 2.27 "p.s.i.a." means pounds per square inch absolute.
- 2.28 "p.s.i.g." means pounds per square inch gauge.
- 2.29 "Quantity of Gas" or "Gas" when used to refer to a quantity of gas shall mean the Total Energy Content.
- 2.30 "Service Agreement" means a written agreement, and any exhibits, attachments and/or amendments, for gas service, which is executed by Transporter and Shipper.
- 2.31 "Shipper" means any party who has requested service from Transporter and executed a contract for such service with Transporter.
- 2.32 "Total Energy Content" is that amount determined by multiplying the total dry heating value by the volume of gas in cubic feet, adjusted for as-delivered water content.
- 2.33 "Transportation" means movement of gas from the receipt point to the delivery point.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- 2.34 "Transporter" is K N Interstate Gas Transmission Co. (KNI).
 - 2.35 "Transporting Pipeline" means any pipeline delivering transportation gas to the Receipt Point(s) or taking gas from the Delivery Point(s) specified in the Service Agreement. The transporting pipeline may include facilities owned by Transporter, an affiliate of Transporter, or a third party.
 - 2.36 "Variance" means the difference between a Shipper's nominated and actual volumes flowing at Receipt or Delivery Points.
 - 2.37 "Year" is a period of three hundred sixty-five (365) days commencing and ending at eight o'clock a.m. (CST), provided that any year which contains that date of February 29 shall consist of three hundred sixty-six (366) days.
3. ELECTRONIC BULLETIN BOARD (EBB)
- 3.1 Transporter will provide an electronic bulletin board for communication purposes. The EBB will be updated daily or Interested Parties will be advised that no changes were necessary. The EBB will provide for:
 - a. Downloading by users,
 - b. Daily backup of information displayed on the board, which will be available for user review for at least three years,
 - c. Purging of information on completed transactions from current files,
 - d. Display of most recent entries ahead of information posted earlier, and
 - e. On-line help, a search function that permits users to locate all information concerning a separate transaction, a menu that permits users to separately access notices of available capacity, each record in the transportation log, and standards of conduct information.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- 5.4 The components for determining the deviation from Boyle's Law, at the pressure and temperature under which delivered, shall be determined by tests at intervals of twelve (12) months or at such shorter interval as is found necessary in practice and the correction factor so determined using American Gas Association "Report Number Eight" or American Gas Association "Project NX-19" shall be used in the computation of deliveries until the next test.
- 5.5 The heating value of the gas delivered shall be determined by approved recording calorimeters, chromatographs, continuous samplers, or other instruments, installed by Transporter at points on Transporter's pipeline system.
6. MEASURING EQUIPMENT
 - 6.1 Transporter and Shipper shall agree regarding arrangements for installation, ownership, operation and maintenance at or near Points of Receipt and Points of Delivery of measuring equipment, including heating value measuring equipment and telemetering equipment, which shall meet the qualifications set out in the General Terms and Conditions of Transporter's Buffalo Wallow FERC Gas Tariff.
 - 6.2 If Shipper installs, maintains, or operates measuring equipment, such actions shall be pursuant to the specifications set forth in the General Terms and Conditions of Transporter's Buffalo Wallow FERC Gas Tariff. Transporter shall not be obligated to install such measuring equipment.
 - 6.3 Shipper may install, operate and maintain, at its own expense, such check measuring equipment as it shall desire, provided that such check meters and equipment shall be so installed as not to interfere with the operation of Transporter's meters at or near the Point of Delivery. Transporter shall have access to such check measuring equipment at all reasonable hours but the reading, calibrating, and adjusting thereof and changing of charts shall be done only by Shipper.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- 8.2 At any receipt or delivery point, Transporter will allocate available gas to Shippers:
- a. Pro rata based on all nominations.
- 8.3 PREDETERMINED ALLOCATION AGREEMENTS. Transporter may enter into mutually acceptable predetermined allocation agreements with upstream or downstream parties to accommodate allocation methodologies different than that outlined in Section 8.2.
- 8.4 OPERATIONAL BALANCING AGREEMENTS. Transporter will enter into mutually acceptable operational balancing agreements with upstream or downstream parties.
9. BILLING.
- 9.1 On or before the twentieth day of each month, Transporter shall use reasonable efforts to render invoices for all charges applicable to the preceding month. Invoices shall include any applicable credits, including those relating to demand charges for released capacity, if paid. When information necessary for billing purposes is in the control of Shipper, such information shall be delivered to Transporter by Shipper on or before the fifth business day of each month for the prior monthly billing period.
- 9.2 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 hereof.
- 9.3 Transporter may invoice Shipper for additional charges which may be applicable. Shipper shall pay Transporter such charges within 10 days of the invoice date except where otherwise specified in a the applicable Rate Schedule.
- 9.4 BILLING ERRORS. In the event an error is discovered in the amount billed in any statement rendered by Transporter or paid thereunder, such error shall be adjusted within thirty (30) days of the determination, provided that claim shall have been made within sixty (60) days from the date of discovery of such error, but in any event within twelve (12) months from the date of any such statement.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

10. PAYMENTS

10.1 Shipper shall pay Transporter, at its designated office on or before the first day of each month for the invoice rendered by Transporter in the prior month to Shipper. However, payment shall never be due until ten days from the receipt of Transporter's invoice. Any amount not paid when due shall bear interest at the rate specified in Section 154.67 of the Commission's Regulations from the due date until paid.

10.2 Any payments received shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principal due, and lastly, to the most current principal due.

11. OPERATIONS BY SHIPPER

11.1 Upon any request Shipper shall furnish to Transporter, as far in advance as operations permit, estimates of the expected daily, monthly and annual quantities of natural gas required by Shipper.

11.2 At each Point of Receipt and Point of Delivery, each Party shall use reasonable efforts to deliver, or cause to be delivered, gas at reasonably uniform hourly and daily rates of flow; provided, however, either Party may request the other Party to change the rates of delivery or receipt. The Party requested to make such changes will do so to the extent that it can, in its judgment, without adversely affecting its deliveries of gas to any other customer.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

Multiple bids (defined as different bids made for different portions of the total capacity) will be permitted.

18.4 BEST OFFER

Transporter will determine which bid constitutes the best offer by determining the highest economic unit value (per Mcf of capacity) to Transporter. A calculation based on the formula and interest rate set forth in Section 23.5 will be used to determine the highest economic unit value. The comparative economic unit value of each bid will be determined by calculating the Net Present Value (NPV) of the reservation charges of each offer over either the term of the offer or five (5) years, whichever is less, and then dividing by the quantity of the respective bid. However, if the bid is at maximum rate and the term is more than five (5) years, the entire term will be considered in determining the economic unit value.

In the event equivalent offers are submitted, the capacity will be made available on a pro rata basis to the equal bidders. Should any one of the equal bidders veto their pro rata allocation of the capacity, Transporter will then conduct a lottery to select the winning bidder, who will then, if the bid is not matched under Section 18.5 below, be allotted its requested capacity. The remainder of said capacity, if any, will be available to the other equal bidder(s) on a pro rata basis, which will again trigger the veto/lottery selection process.

Transporter will post the name of the winning bidder of the gas for a period of no less than five (5) work days.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

18.5 MATCH

The original firm Shipper shall have the option to execute a firm service agreement which exactly matches the rate and term of the bid constituting the highest economic unit value to Transporter, except that the original firm Shipper need not match a contract term of more than ten (10) years. The original firm Shipper need only match the quantity bid if the quantity bid is less than the quantity offered under Section 18.1 above. Transporter will notify the original firm Shipper within five (5) work days of the best offer it must match by tendering to such Shipper a service agreement. The service agreement must be executed by the original firm Shipper within fifteen (15) days of Transporter's tender thereof. Transporter is not required to accept an offer at less than the maximum rate.

18.6 NO BIDS

Where there are no competing bids for the capacity and the original firm Shipper agrees to pay the maximum rate, service may be contracted for any term the original firm shipper chooses. Transporter is not required to accept an offer at less than the maximum rate. If Transporter rejects a bid at less than the maximum rate, the original Shipper will receive continued service at the maximum rate unless a negotiated rate is agreed to by Transporter and the original Shipper.

19. DULY CONSTITUTED AUTHORITIES

This Buffalo Wallow FERC Gas Tariff, including these Buffalo Wallow General Terms and Conditions and the respective obligations of the parties under the Service Agreement, is subject to valid current and future laws, orders, rules and regulations of duly constituted authorities having jurisdiction. Each Party's obligations under a Service Agreement are conditioned upon obtaining authorization from the appropriate governmental authorities.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

22.3 ODORIZATION

Transporter shall have no obligation whatsoever to odorize the natural gas delivered, nor to maintain odorant levels in such gas.

22.4 GATHERING POOLING POINTS

Gathering Pooling Points are designated as those points where gathering facilities, or facilities owned by third parties, connect with the Buffalo Wallow transmission facilities of Transporter. In order for such points to function as Gathering Pooling Points, daily measurement readings must be available to Transporter. New or additional points may be designated as Gathering Pooling Points by meeting these criteria. Points on Transporter's Buffalo Wallow System where conditions may be favorable for custody transfer of gas may also be designated as "paper" Gathering Pooling Points. At such paper Gathering Pooling Points, no physical measurement will take place and throughput will be assumed to equal nominations.

22.5 AGGREGATION POOLING SERVICE

Aggregation Pooling Service refers to the aggregation or "pooling" of gas supplies and markets by Shipper(s) for purposes of transportation to or from any point into or out of the Buffalo Wallow System (the "Aggregation Pool").

- a. AVAILABILITY. An Aggregation Pooling Service will be performed by Transporter. No rate will be charged a Shipper utilizing Pooling Services for moving gas from a receipt point to the Aggregation Pool. No rate shall be charged a Shipper utilizing Pooling Services for moving gas from one Aggregation Pool to another. The rate which the Shipper shall pay for deliveries from the Aggregation Pool shall be the applicable transportation rate, and any other applicable charges provided for herein.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

23. VOLUNTARY REALLOCATION OF CAPACITY

23.1 APPLICABILITY

Any Shipper that holds firm capacity rights, under the FT-BW Rate Schedule contained in Transporter's tariff, may elect to release, subject to the firm capacity releasing program, all or a portion of such firm capacity rights.

23.2 VOLUNTARY REALLOCATION RIGHTS

Shipper shall have the right to voluntarily reallocate all or a part of its firm transportation capacity rights to any person who wants to obtain that capacity by contracting with Transporter. The acquiring Shipper must meet all tariff requirements for a new customer. A Shipper, under this firm capacity releasing program, is defined as either a primary or replacement Shipper. The firm capacity releasing program allows all firm capacity holders to permanently or temporarily release some or all of their capacity through the pipeline.

a. NOTICE BY SHIPPER ELECTING TO RELEASE CAPACITY

A Shipper who elects to permanently or temporarily release firm contract quantities shall post an offer to release through the electronic bulletin board or submit the following information in accordance with Section 20 of these General Terms and Conditions for posting by Transporter. The release information shall include the following:

- (1) Shipper's contract number and legal name;
- (2) an indication of permanent or temporary release;
- (3) the specific daily contract quantity to be released (no less than 100 MMBtu per day);
- (4) the requested effective date of the release;
- (5) the requested term of the release;
- (6) the replacement Shipper name in a pre-arranged release (if any);

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- (7) the receipt and delivery point(s) at which Shipper will release capacity and the firm quantities to be released at such point(s);
 - (8) an indication whether Shipper is willing to release an amount less than requested and for a shorter time period than requested;
 - (9) an indication whether Shipper is willing to release capacity on a volumetric reservation rate basis;
 - (10) an indication whether Shipper is willing to release capacity at a rate lower than Transporter's currently effective maximum reservation charge(s). If "yes", Shipper must indicate the minimum rate it is willing to accept for either fixed or volumetric reservation rate releases;
 - (11) an indication whether Shipper wants Transporter to use net present value (NPV) to determine the successful bid. If so, specify discount rate: If not, specify desired criteria;
 - (12) the requested bid period; and
 - (13) any other conditions of the release, including the ability to withdraw the release, ability to recall the release and the recall conditions, whether contingent bids will be accepted and under what conditions.
- b. If a releasing Shipper finds a replacement Shipper while the capacity is posted on the electronic bulletin board, the releasing Shipper must repost the release or notify Transporter as soon as possible for reposting. The capacity must be posted again for at least two days or longer at the releasing Shipper's option. The second round of posting shall not apply to prearranged releases at the maximum rate or to releases at the maximum rate or to releases of thirty-one (31) days or less. For exemption from posting requirements, prearranged releases of thirty-one (31) days or less must at least match the highest posted rate.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

23.3 TERM OF RELEASED CAPACITY

- a. TEMPORARY RELEASES. The term of any temporary release of firm capacity shall not exceed the primary term of the Service Agreement under which release is occurring. Temporary releases for a period of one calendar month or less, with a prearranged Shipper, do not have to be posted for bidding.
- b. PERMANENT RELEASES. The term of any permanent release of firm capacity shall be equal to the remaining primary term of the Service Agreement under which release is occurring. The right of first refusal is released with the capacity.
- c. AVAILABILITY OF RELEASED CAPACITY. Released capacity will be available on a nondiscriminatory basis, pursuant to Section 284.243 of the Commission's regulations, and will be assigned on the basis of a bid period.

23.4 NOTICE BY PARTY ELECTING TO ACQUIRE CAPACITY

- a. Parties desiring to acquire released capacity must submit an electronic bid for released capacity through the electronic bulletin board during the bid period.
- b. Such bid must include:
 - (1) Shipper's legal name;
 - (2) The quantities to be acquired in daily and monthly increments;
 - (3) The receipt and delivery point(s) and the capacity to be acquired at each point;
 - (4) The desired effective date and term of the acquisition;
 - (5) The fixed or volumetric reservation rate, not to exceed the maximum applicable tariff reservation rate plus any applicable surcharges that the party bids for the released capacity;
 - (6) Whether bidder is willing to accept a quantity less than that bid upon; and
 - (7) Any other conditions of the acquisition.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- c. All bids on released capacity will be posted on Transporter's electronic bulletin board. The information listed in Section 23.4(b) will be posted except for the Shipper's legal name.
- d. Any party desiring to acquire capacity for which no offer of release has been made may post notice of its desire by submitting the above information and the desired posting period to Transporter via the bulletin board electronic mail system or in accordance with Section 20 of these General Terms and Conditions.

23.5 BID PERIOD.

If a Shipper desires to release capacity, Shipper may post the available capacity on Transporter's electronic bulletin board. This posting will be for a minimum period of two business days, for releases of more than one (1) calendar month in length, and up to a maximum period of one month, as specified by releasing Shipper. A releasing Shipper may specify an objectively stated, non-discriminatory standard and post it on Transporter's EBB for determining the best bid(s). If releasing Shipper does not so specify, bids will be evaluated based on the economic value of the reservation charge bid.*

The economic value of a bid shall be defined as the total net present value of the reservation charge bid, not to exceed a term of twenty (20) years. Transporter will give any replacement Shipper found by the releasing Shipper (if any) an opportunity to match any better offer by the close of business on the next business day following the close of the bid period (match day). All offers must be received by 5:00 PM CT on the last day of the bid period and on match day. If the replacement Shipper matched the better offer, Transporter will contract with the replacement Shipper found by the releasing customer. If the better offer is not matched,

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Transporter will contract with the person who made the better offer. In all situations, including those where Shipper specified criteria are used, Transporter will evaluate and rank the bids. Capacity will be awarded once the winning bid is determined. Capacity not taken by the winning bidder will be offered to the next highest bidder.

* According to the following formula:

$t = 0$

Where

NPV = net present value of the bid
R = Reservation charge (potential replacement Shipper's bid reservation charge) stated on a daily basis
Bid MDTQ = Amount of capacity bid on in MMBtu/d
i = Discount (interest) rate stated on a daily basis
n = Number of days from begin release date to the end of the period covered by the bid.

If no interest rate is specified by the releasing Shipper, the latest Wall Street Journal prime rate will be used.

23.6 ABILITY TO WITHDRAW CAPACITY POSTING OR CAPACITY BID AND ABILITY TO MAKE CONDITIONED BID.

- a. ABILITY TO WITHDRAW RELEASED CAPACITY POSTING. Releasing Shipper may withdraw the capacity release any time before the end of the bid period.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- b. ABILITY TO WITHDRAW RELEASED CAPACITY BID. Bids for released capacity may be withdrawn at any time before the end of the bid period. Once a bid has been withdrawn on a release, the bidder may not submit a bid at a lower rate, although he may do so at a higher rate.
- c. ABILITY TO MAKE CONDITIONED BIDS. Conditioned bids will be allowed if the releasing Shipper has indicated its willingness to accept condition(s) in the release.

23.7 POSTING AND ALLOCATION OF RELEASED CAPACITY

- a. All capacity will be posted on Transporter's electronic bulletin board. The information listed in Section 23.2(a) will be posted except for the releasing Shipper's contract number and legal name and the replacement Shipper's name. Bids for the capacity will be made through the bulletin board and Transporter will allocate released capacity to the person offering the highest rate, not to exceed the maximum tariff reservation rate that Transporter can charge the releasing shipper and offering to meet all other terms and conditions of the release. If more than one person offers the highest rate and meets the terms and conditions of the release, the released capacity will be given to the Shipper delivering the earliest bid to Transporter (date and time received by Transporter). Released capacity will be allocated by lottery among the requesting Shippers in the event requests are received at the same time, provided however, if the replacement Shipper designated in a prearranged deal offers the highest rate, the capacity will be allocated to the designated replacement Shipper. Transporter will not refuse to provide service if the Shipper meets Transporter's applicable tariff conditions.

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- b. The lottery will consist of replacement Shippers attempting to match a random number posted on the electronic bulletin board. The Shipper closest to the winning number, either over or under, will win the lottery. In case of a tie, the procedure will be repeated.
- c. Releasing Shipper may designate in its release an alternate, objective, non-discriminatory method for resolving the tie.
- d. If no bids are received or accepted by Transporter, the relinquishing Shipper shall retain the capacity and remain liable for the reservation charge(s) and all applicable commodity charge(s) under the executed Service Agreement.
- e. Informational postings of releases not subject to bidding (capacity release at maximum rate or prearranged releases with a duration of thirty-one (31) days or less) will consist of the information specified in Transporter's Notice by Shipper Electing to Release Capacity.
- f. Transporter shall Post Bid Results within forty-eight (48) hours of the determination of a winning bidder. The release information with the releasing Shipper's name and all bid information for the winning bid, including the bidder's name, will be posted for fourteen (14) days. Transporter shall post prearranged releases at the maximum rate for notification purposes within forty-eight (48) hours of the release. Service may begin and a contract may be executed even if the bid results are not posted on the EBB until later.

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FERC Docket: RP95-412-000

Second Revised Sheet No. 45 Second Revised Sheet No. 45 : Superseded

Superseding: First Revised Sheet No. 45

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

23.8 EXECUTION OF AGREEMENTS

- a. Parties wishing to bid on released capacity can enter into a nonspecific FT-BW Service Agreement(s) prior to bidding on capacity to speed the process. The agreement(s) will allow creditworthiness evaluation and execution to be done ahead of time so that only preparation and issuance of appendices to the Service Agreement will be necessary before released capacity may be used.
- b. Both amendments to existing Service Agreements and new Service Agreements must be executed and returned to Transporter no later than 24 hours prior to the nomination deadline applicable to the release and acquisition. The replacement Shipper may nominate when (1) Transporter receives a release notification for a prearranged release (prearranged only for releases at maximum rate or releases for thirty-one (31) days or less), or (2) the replacement Shipper places its bid for capacity. Any amendment or Service Agreement received after such date may not be effective until the next day for which flow can be nominated. If the release notification or bid conflicts with Transporter's nomination procedures, Transporter will treat the nomination as a late filed nomination and schedule this capacity on a reasonable efforts basis.
- c. The replacement Shipper acquiring temporary or permanently released capacity shall execute a Service Agreement with Transporter for the contract quantities acquired in accordance with Rate Schedule FT-BW under which the releasing Shipper contracted for service. The replacement Shipper is subject to Transporter's operational provisions as stated herein. Transporter will bill the replacement Shipper for all charges due, including imbalance, variance and overrun charges. All releases of firm capacity will be contracted for by Transporter as firm transportation, regardless of the interruption conditions imposed by the releasing Shipper.

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Second Revised Sheet No. 47 Second Revised Sheet No. 47 : Superseded
Superseding: First Revised Sheet No. 47

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

23.11 CAPACITY RELEASE FOR THIRTY-ONE (31) DAYS OR LESS.

- a. Prearranged assignment of capacity to a replacement Shipper will take place immediately when capacity is released by a firm Shipper who has pre-arranged a release to a designated replacement Shipper for a period of thirty-one (31) days or less. Such capacity releases will be posted on the electronic bulletin board within forty-eight (48) hours of the release for information purposes. A short term release at the maximum rate may be rolled over. For prearranged releases at less than maximum rate a releasing Shipper may not roll over, extend or in any way continue a release under this section without complying with the notification and bidding requirements of this section, and may not re-release to the same replacement Shipper under this section until twenty-eight (28) days after the first release period has ended. Capacity releases for thirty-one (31) days or less at maximum rate may be rolled over if both parties notify Transporter no later than one (1) day before the applicable nomination deadline of their plan to rollover.
- b. Assignment of capacity for periods thirty-one (31) days or less may be posted on the EBB for bidding. Such capacity releases will be posted on the EBB for four (4) hours. Such releases must be consummated within twenty-four (24) hours of posting or within twenty-four (24) hours after the Transporter receives the release notification, whichever is later. At the releasing or replacement Shipper's option, the gas may flow after the twenty-four (24) hour period.

23.12 PAYMENT FOR RELEASED CAPACITY ACQUIRED

Payment for reservation, capacity and commodity charges will be due as required under the payment provisions contained in these Buffalo Wallow General Terms and Conditions.

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FERC Docket: RP95- 35-000

Original Sheet No. 48 Original Sheet No. 48 : Superseded

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

23.13 CREDIT FOR CAPACITY RESOLD

The releasing Shipper will remain liable under its contract and pay reservation fees for the capacity released. However, the releasing Shipper will receive a simultaneous reservation fee credit of 100% of the reservation fee billed to the acquiring Shipper by Transporter for that business month. A releasing Shipper paying a discounted rate is entitled to receive proceeds from a release even if such proceeds exceed its reservation fee. The releasing Shipper is liable for any late fees defaulted by the replacement Shipper; however, Transporter will not unreasonably refuse to relieve a releasing Shipper of all liability under its contract when there is a permanent release of capacity. Transporter may reverse the reservation fee credit to the extent the replacement shipper does not pay Transporter for the reservation charges.

24. ORDER NO. 497 AND 497-A COMPLIANCE INFORMATION AND PROCEDURES

24.1 SHARED OPERATING PERSONNEL OR FACILITIES.

Transporter has three marketing affiliates, K N Gas Marketing, Inc., K N Gas Supply Services, Inc., and Anthem Energy, L.P. which conduct transactions with Transporter. Transporter does not share any operating personnel with its marketing affiliates. Certain directors of Transporter are also directors of the marketing affiliates. Transporter and its marketing affiliates share certain administrative and support services, as well as a telephone system and mainframe computer equipment. The mainframe computer equipment, including access to all computer data bases, is password protected in order to maintain operational separation and confidential access to the system.

Effective Date: 12/02/1994 Status: Effective

FERC Docket: RP95- 35-000

Original Sheet No. 61 Original Sheet No. 61 : Superseded

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

All quantities tendered to Transporter and/or taken by Shipper on a daily basis in violation of Transporter's OFO shall constitute unauthorized receipts or deliveries for which a charge of \$15 per MMBtu shall be assessed. Shippers will be exempt from penalties on imbalances that result from complying with an OFO. A reasonable make-up period will be allowed to correct OFO created imbalances. Upon an OFO becoming effective, as specified in the OFO or as provided in this Section 29 of the General Terms and Conditions, Shipper, OFO party, or operator of the facilities connecting with Transporter's facilities shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of Transporter's system, to make adjustments in compliance with the OFOs. If Shipper, or operator of such interconnect, adjusts its tenders or takes within such notice period, then no charge, as provided for herein, shall be assessed. Transporter will post on its EBB its intention to place an OFO into effect and notify the affected Shipper(s) by telephone and facsimile at least twenty-four (24) hours prior to the implementation of the OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of the system. Such notice and posting shall (i) identify the parties subject to the OFO, (ii) the time the OFO will become effective, (iii) the estimated duration of the OFO (i.e., the triggering tariff provision which is the basis for the OFO). Where an OFO is issued pursuant to this section or made effective on a less than twenty-four (24) hours notice, Transporter will also provide the Commission and affected Shippers, as well as post on the EBB, with a detailed explanation with all relevant information specific to the individual situation to justify issuance of that particular OFO.

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First Revised Sheet No. 71A First Revised Sheet No. 71A : Superseded
Superseding: Original Sheet No. 71A

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

33. COMPLIANCE WITH 18 C.F.R. SECTION 284.10

Transporter and Shipper shall comply with the business practice and electronic communication standards incorporated by reference in Section 284.10 of the Commission's Regulations (18 C.F.R. Section 284.10) as listed below:

1.2.1 (1.0)	3.3.8 (1.0)
1.2.2 (1.0)	3.3.10 (1.0) to 3.3.13 (1.0)
1.3.4 (1.0)	3.3.16 (1.0) to 3.3.18 (1.0)
1.3.12 (1.0)	3.3.20 (1.0)
1.3.15 (1.0)	3.3.21 (1.0)
1.3.16 (1.0)	3.4.1 (1.0) to 3.4.3 (1.0)
1.3.21 (1.0) to 1.3.23 (1.0)	4.3.1 (1.0) to 4.3.4 (1.0)
1.4.1 (1.0) to 1.4.5 (1.0)	4.3.6 (1.1) to 4.3.15 (1.1)
2.3.1 (1.0)	5.2.1 (1.0)
2.3.8 (1.0)	5.3.5 (1.0)
2.3.10 (1.0)	5.3.9 (1.0) to 5.3.12 (1.0)
2.3.12 (1.0)	5.3.17 (1.0)
2.3.15 (1.0)	5.3.18 (1.0)
2.3.17 (1.0)	5.3.20 (1.0)
2.3.20 (1.0)	5.3.21 (1.0)
2.3.25 (1.0)	5.3.23 (1.0)
2.4.1 (1.0) to 2.4.5 (1.0)	5.3.24 (1.0)
3.3.1 (1.0) to 3.3.5 (1.0)	5.3.26 (1.0) to 5.3.29 (1.0)
3.3.7 (1.0)	5.4.1 (1.0) to 5.4.17 (1.0)

