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FERC Docket: RS92- 47-001

FERC GAS TARIFF

First Revised Volume 1

PHILLIPS GAS PIPELINE COMPANY

Effective Date: 06/01/1993 Status: Effective FERC Docket: RS92- 47-003

FERC GAS TARIFF

First Revised Volume No. 1

(Supersedes Original Volume No. 1)

PHILLIPS GAS PIPELINE COMPANY

Effective Date: // Status: Effective FERC Docket: RS92- 47-001

Original Sheet No. 2 Original Sheet No. 2: Superseded

FERC GAS TARIFF

First Revised Volume 1

of

PHILLIPS GAS PIPELINE COMPANY

filed with the

FEDERAL ENERGY REGULATORY COMMMISSION

Communications concerning this Tariff should be addressed to:

D. J. Ryan Vice President Phillips Gas Pipeline Company P. O. Box 1967 Houston, Texas 77251-1967

FERC Docket: RS92- 47-003

Original Sheet No. 2 Original Sheet No. 2: Effective

FERC GAS TARIFF

First Revised Volume No. 1

of

PHILLIPS GAS PIPELINE COMPANY

filed with the

FEDERAL ENERGY REGULATORY COMMMISSION

Communications concerning this Tariff should be addressed to:

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Effective Date: // Status: Effective FERC Docket: RS92- 47-001

Original Sheet No.3 original Sheet No.3: Superseded

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FERC Docket: GT94- 31-000

First Revised Sheet No. 4 First Revised Sheet No. 4: Effective

Superseding: Original Sheet No. 4

PRELIMINARY STATEMENT

Phillips Gas Pipeline Company ("PGPL") is a natural gas company which owns and operates a pipeline system, the principal purpose of which is to transport natural gas from producing areas in Oklahoma to the facilities of Seagas Pipeline Company ("Seagas") in Texas.

PGPL extends from points of interconnection with other pipeline facilities near Cushing, Oklahoma to a point of interconnection with the facilities of Seagas approximately one mile south of the Texas-Oklahoma border northeast of Denison, Texas.

PGPL will perform contract transportation service only under written service agreements after consideration of its commitments to others, delivery capacity and other pertinent factors.

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FERC Docket: RS92- 47-001

Original Sheet No. 5 Original Sheet No. 5: Superseded

STANDARDS OF CONDUCT FOR INTERSTATE PIPELINES WITH MARKETING AFFILIATES

This section implements the requirements of FERC Order Nos. 497 and 497-A, as set forth in 18 C.F.R. 250.16 (b) (1) and (b) (2).

 OPERATING PERSONNEL AND FACILITIES SHARED WITH MARKETING AFFILIATES

Phillips Gas Pipeline Company ("PGPL") provides the following information regarding operating personnel and facilities shared with marketing affiliates. PGPL has one marketing affiliate: Phillips Gas Marketing Company ("PGMC").

1.1 Operating Personnel

PGPL shares no operating personnel with PGMC.

1.2 Facilities

PGPL shares no facilities with PGMC.

FERC Docket: RS92- 47-003

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

STANDARDS OF CONDUCT FOR INTERSTATE PIPELINES WITH MARKETING AFFILIATES

This section implements the requirements of FERC Order Nos. 497 and 497-A, as set forth in 18 C.F.R. 250.16(b)(1) and (b)(2).

1. OPERATING PERSONNEL AND FACILITIES SHARED WITH MARKETING AFFILIATES

Phillips Gas Pipeline Company ("PGPL") provides the following information regarding operating personnel and facilities shared with marketing affiliates. PGPL has two marketing affiliates: Phillips Gas Marketing Company ("PGMC") and Seagas Pipeline Company ("Seagas").

1.1 Operating Personnel

PGPL shares operating personnel with Seagas through intercorporate service contracts and PGMC employees will be permitted to arrange for the transportation of gas on PGPL's facilities on behalf of Seagas, as follows:

Shared Seagas Employees:

President - J. T. Webster
Director of Business Development - D. P. Pierson
Gas Controller - K. R. Holdridge
Secretary - L. K. Otto
Four (4) Dispatchers - A. S. Bacon
D. R. Burwell
J. R. McCraw
J. E. Talley

PGMC Employees which may transport gas on PGPL on behalf of Seagas:

Accounting Supervisor - G. D. Morton Accountant - L. A. Gilbreth Gas Marketer - M. H. Barman

FERC Docket: RS92- 47-003

 $\textbf{Original Sheet No. 5A} \; \texttt{Original Sheet No. 5A} \; : \; \; \texttt{Effective}$

1.2 Facilities

PGPL shares common office facilities with Seagas and PGMC employees on the same floor of an office building which is located at 6330 West Loop South, Bellaire, Texas 77401.

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

FERC Docket: RS92- 47-002

Original Sheet No. 6 Original Sheet No. 6: Superseded

2. VALID REQUEST FOR TRANSPORTATION SERVICE

The specific information and format required from a shipper for a valid request for service is located in Section 17, "Requests for Transportation" of the General Terms and Conditions, PGPL's FERC Gas Tariff, First Revised Volume No. 1.

- 3. PROCEDURES USED TO ADDRESS AND RESOLVE COMPLAINTS BY SHIPPERS AND POTENTIAL SHIPPERS
 - 3.1 PGPL will endeavor to respond to and resolve complaints by Shippers and Potential Shippers regarding service, requests for service or requests for information about service on an informal basis in a timely and satisfactory manner. If, however, a Shipper or Potential Shipper finds the informal procedure inadequately resolves complaint(s) or question(s) and elects to file a written complaint with PGPL, the procedures described in Sections 3.2 through 3.4 should be followed.
 - 3.2 Any Shipper or Potential Shipper who desires to submit a written complaint regarding service, a request for service or a request for information about service should report such complaint with sufficient details, in writing to:

James T. Webster, President Phillips Gas Pipeline Company P. O. Box 1967 Houston, TX 77251-1967

or for hand delivery only, to 6330 W. Loop South, Room 918 Bellaire, TX 77401

FERC Docket: RS92- 47-002

Original Sheet No. 6 Original Sheet No. 6: Superseded

2. VALID REQUEST FOR TRANSPORTATION SERVICE

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

D. C. Harban, President Phillips Gas Pipeline Company P. O. Box 1967 Houston, TX 77251-1967

or for hand delivery only, to 6330 W. Loop South, Room 918 Bellaire, TX 77401

FERC Docket: RS92- 47-003

Original Sheet No. 6 Original Sheet No. 6: Effective

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James T. Webster, President Phillips Gas Pipeline Company P. O. Box 1967 Houston, TX 77251-1967

or for hand delivery only, to 6330 W. Loop South, Room 918 Bellaire, TX 77401

FERC Docket: RS92- 47-001

Original Sheet No. 7 Original Sheet No. 7: Superseded

- 3.3 PGPL will review each such complaint, will respond initially within 48 hours and respond in writing within thirty (30) days. The Shipper or Potential Shipper will be notified in writing, within sixty (60) days of the date of receipt of the written complaint, of the results of the review.
- 3.4 If the Shipper or Potential Shipper, upon receipt of the result of PGPL's complaint review, is not satisfied with the results, that person is encouraged to recontact PGPL promptly in writing to request further consideration such that PGPL and the complainant may settle between themselves.
- 3.5 The Shipper or Potential Shipper, if unable to achieve a satisfactory complaint resolution with PGPL, may file a complaint with the Federal Energy Regulatory Commission.
- 4. PROCEDURES USED BY PGPL TO INFORM AFFILIATED AND NONAFFILIATED SHIPPERS AND POTENTIAL SHIPPERS
 - 4.1 Information about the availability and pricing of transportation service may be obtained in the following ways:

FERC Docket: RS92- 47-003

Original Sheet No. 7 Original Sheet No. 7: Effective

3.3 PGPL will review each such complaint, will respond initially within 48 hours and respond in writing within thirty (30) days. The Shipper or Potential Shipper will be notified in writing, within sixty (60) days of the date of receipt of the written complaint, of the results of the review.

- 3.4 If the Shipper or Potential Shipper, upon receipt of the result of PGPL's complaint review, is not satisfied with the results, that person is encouraged to recontact PGPL promptly in writing to request further consideration such that PGPL and the complainant may settle between themselves.
- 3.5 The Shipper or Potential Shipper, if unable to achieve a satisfactory complaint resolution with PGPL, may file a complaint with the Federal Energy Regulatory Commission.
- 4. PROCEDURES USED BY PGPL TO INFORM AFFILIATED AND NONAFFILIATED SHIPPERS AND POTENTIAL SHIPPERS
 - 4.1 Information about the availability and pricing of transportation service may be obtained in the following ways:

FERC Docket: RS92- 47-001

Original Sheet No. 8 Original Sheet No. 8: Superseded

(a) PGPL will provide twenty-four hours access by electronic means to the data specified in Section 250.16(b)(2) of the Commission's regulations and to the information described in Sections 161.3(f) and 161.3(i) which must be provided contemporaneously to Current Shippers and Potential Shippers. PGPL reserves the right in its sole judgement to utilize facsimile or telex machine to provide contemporaneous information to Current and Potential Shippers (as defined in Section 161.2 of the Commission's regulations). PGPL has contracted with EnerNet Corporation of Houston, Texas, to provide this electronic bulletin board service. Access to the bulletin board may be obtained by using telecommunication industry standard equipment and software. Contact EnerNet, attention Ms. Diane Landay at telephone number (713) 781-9103 for access instructions. EnerNet's normal rates for electronic access will apply to persons desiring to access PGPL's bulletin board. In case of an access problem, immediately contact EnerNet or PGPL for assistance in correcting such problem. PGPL or its designees may charge a reasonable user fee for electronic bulletin board access.

(b) Interested Shippers may call PGPL at phone number (713) 669-7962 for data on the availability of service and for data on the current and any proposed rates for service. Written inquiries may be addressed to Marketing Director, P.O. Box 1967, Houston, TX 77251-1967.

FERC Docket: RS92- 47-003

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

(a) PGPL will provide twenty-four hours access by electronic means (an enhanced, interactive electronic bulletin board ("EBB")) to the data specified in Section 250.16 (b) (2) of the Commission's regulations and to the information which must be provided contemporaneously to current shippers and potential shippers. The EBB will permit all existing and potential PGPL customers (including, but not limited to, marketing affiliates of PGPL) to have contemporaneous and equal access to information concerning available PGPL capacities and any discounted transportation rates. All existing and potential customers of PGPL will be able to request capacity on PGPL directly (and have it confirmed immediately) through the EBB. All requests for and confirmation of available capacity on PGPL and all associated rate information (including any discounts) regarding PGPL will be received and immediately disseminated electronically. Operational employees will confirm receipt and delivery point volumetric information from the EBB with upstream and downstream shippers to ensure that PGPL transactions occur on schedule. The "mechanical" operation of the EBB will prevent PGPL or Seagas employees from exercising any independent judgment or discretion in the allocation of PGPL facility capacities. PGPL's employee(s) and the contract employees of Seagas will not receive any information from a nonaffiliated shipper, affiliated shipper or potential nonaffiliated shipper which is not posted immediately on the EBB for all parties to review simultaneously. information will include receipt and delivery point availability on PGPL. PGPL customers will be permitted to enter into agency agreements with Seagas to permit Seagas employees to access PGPL's EBB on behalf of the customer.

In addition, the EBB will document all transactions on the EBB so that parties will be able to monitor such information to ensure that: (1) PGPL and Seagas

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Original Sheet No. 9 Original Sheet No. 9: Superseded

(c) A search of the public information available at the Federal Energy Regulatory Commission including this PGPL Gas Tariff and reports and forms filed by PGPL. A comparison of the most recently filed Form 2-A and the Annual Report of Capacity filed pursuant to Section 284.12 of the Commission's Regulations will give the general availability of service. A review of PGPL's gas tariff will provide the applicable price for transportation service.

- (d) Any changes in the pricing of transportation service are provided to current customers via a copy of the proposed tariff sheets mailed to the customer's place of business.
- 4.2 Information about the capacity of PGPL's pipeline available for transportation may be obtained as shown in Section 4.1 above.

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

employees are properly disseminating information that has been received from affiliated, nonaffiliated or potentially nonaffiliated shippers; and (2) PGPL and Seagas employees are contemporaneously disclosing to all existing and potential shippers on PGPL's system any information provided to its marketing affiliate that is related to transportation of natural gas, or related to gas sales or gas marketing on its system or the system of an affiliated pipeline that is not available from public sources.

Access to the EBB may be obtained by using telecommunication industry standard equipment and software. The EBB will be operated for PGPL by EnerNet Corporation, Houston, Texas. Contact EnerNet, Attention Ms. Diane Landay, (713) 939-5800, for access instructions. EnerNet's normal rates for electronic access will apply to persons desiring to access the EBB. In case of an access problem, immediately contact EnerNet or PGPL for assistance in correcting such problem. PGPL or its designees may charge a reasonable user fee for EBB access.

- (b) Interested shippers may call PGPL at phone number (713) 669-7962 for data on the availability of service and for data on the current and any proposed rates for service. Written inquiries may be addressed to Marketing Director, P. O. Box 1967, Houston, Texas 77251-1967.
- (c) A search of the public information is available at the Federal Energy Regulatory Commission including this PGPL Gas Tariff and reports and forms filed by PGPL. A comparison of the most recently filed Form 2-A and the Annual Report of Capacity filed pursuant to Section 284.12 of the Commission's Regulations will give the general availability of service. A review of PGPL's Gas Tariff will provide the applicable price for transportation service.
- (d) Any changes in the pricing of transportation service are provided to current customers via a copy of the proposed tariff sheets mailed to the customer's place of business.
- 4.2 Information about the capacity of PGPL's pipeline available for transportation may be obtained as shown in Section 4.1 above.

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Original Sheet No. 10 original Sheet No. 10 : Effective

Reserved for Map

Effective Date: // Status: Effective FERC Docket: RS92- 47-001

 $\textbf{Original Sheet No. 11} \; \texttt{Original Sheet No. 11} \; : \; \; \texttt{Superseded}$

STATEMENT OF RATES AND CHARGES

RATE SCHEDULE FT-1:

RESERVATION CHARGE :

Rate Maximum Minimum

\$0.1726 \$0.000 Charge - \$/MMBtu

TRANSPORTATION COMMODITY CHARGES:

\$/MMBtu \$0.004 \$0.004

RATE SCHEDULE IT-1:

TRANSPORTATION COMMODITY CHARGES:

\$0.1766 \$0.004 \$/MMBtu

FERC Docket: RS92- 47-003

 $\begin{center} \textbf{Original Sheet No. 11} & \textbf{Original Sheet No. 11} & \textbf{Effective} \\ \end{center}$

STATEMENT OF RATES AND CHARGES

RATE SCHEDULE FT-1:

RESERVATION CHARGE :

TRANSPORTATION COMMODITY CHARGES:

\$/MMBtu \$0.004 \$0.004

RATE SCHEDULE IT-1:

TRANSPORTATION COMMODITY CHARGES:

\$/MMBtu \$0.1766 \$0.004

Effective Date: // Status: Effective FERC Docket: RS92- 47-001

 $\textbf{Original Sheet No. 12} \; \texttt{Original Sheet No. 12} \; : \quad \texttt{Superseded}$

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

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FERC Docket: RS92- 47-001

Original Sheet No. 13 Original Sheet No. 13: Superseded

RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for firm transportation service authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission (Commission), by Phillips Gas Pipeline Company (PGPL) for any person (Shipper), subject to: (1) the availability of uncommitted firm capacity; (2) submission by Shipper and acceptance by PGPL of a valid Request for Transportation which is in accordance with the provisions of Section 17 of the General Terms and Conditions for Transportation Service of PGPL's FERC Gas Tariff, First Revised Volume No. 1; (3) the prior execution by PGPL and Shipper of the effective form of Service Agreement for this Rate Schedule (4) the limitation of the Firm Transportation Quantity as provided in the service agreement; and (5) the effective requirements stated in this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Volume No. 1, or otherwise established by orders, rules, and regulations of the Commission.

PGPL will afford an existing long-term firm transportation Shipper a right of first refusal to continue such firm service by agreeing to match the price and the length of contract term offered by another customer who wants and values the service.

The primary term of any Service Agreement for this Rate Schedule shall extend for the term negotiated and may continue in effect month-to-month thereafter until terminated by PGPL or Shipper upon at least sixty (60) days prior notice to the other.

FERC Docket: RS92- 47-003

Original Sheet No. 13 original Sheet No. 13: Effective

RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for firm transportation service authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission (Commission), by Phillips Gas Pipeline Company (PGPL) for any person (Shipper), subject to: (1) the availability of uncommitted firm capacity; (2) submission by Shipper and acceptance by PGPL of a valid Request for Transportation which is in accordance with the provisions of Section 17 of the General Terms and Conditions for Transportation Service of PGPL's FERC Gas Tariff, First Revised Volume No. 1; (3) the prior execution by PGPL and Shipper of the effective form of Service Agreement for this Rate Schedule (4) the limitation of the Firm Transportation Quantity as provided in the service agreement; and (5) the effective requirements stated in this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Volume No. 1, or otherwise established by orders, rules, and regulations of the Commission.

PGPL will afford an existing long-term firm transportation Shipper a right of first refusal to continue such firm service by agreeing to match the price and the length of contract term offered by another customer who wants and values the service.

The primary term of any Service Agreement for this Rate Schedule shall extend for the term negotiated and may continue in effect month-to-month thereafter until terminated by PGPL or Shipper upon at least sixty (60) days prior notice to the other.

FERC Docket: RS92- 47-001

Original Sheet No. 14 Original Sheet No. 14: Superseded

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule applies to all gas transported by PGPL for Shipper pursuant to an executed Service Agreement for this Rate Schedule. Transportation service under this Rate Schedule shall be firm up to the Firm Transportation Quantity and shall be subject to the terms of the applicable Service Agreement, this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Volume No. 1, and to the laws, rules and regulations of governmental authorities that are valid and applicable to service hereunder.

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

FERC Docket: RS92- 47-003

Original Sheet No. 14 original Sheet No. 14: Effective

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule applies to all gas transported by PGPL for Shipper pursuant to an executed Service Agreement for this Rate Schedule. Transportation service under this Rate Schedule shall be firm up to the Firm Transportation Quantity and shall be subject to the terms of the applicable Service Agreement, this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Volume No. 1, and to the laws, rules and regulations of governmental authorities that are valid and applicable to service hereunder.

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

FERC Docket: RS92- 47-001

Original Sheet No. 15 Original Sheet No. 15: Superseded

3. RATES AND CHARGES

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

3.1 Reservation Charge

PGPL's firm transportation reservation charge is designed under the straight fixed-variable method of rate design. Each firm transportation customer's reservation charge will be the sum of the annual total of the customer's firm quantity entitlements multiplied by the fraction of the number of days in the month divided by the number of days in the year times the applicable rate set forth on the currently effective Tariff Sheet No. 6 of this Volume. The annual total of the customer's firm quantity entitlements shall be as stated in the firm transportation agreement, and in the absence of a separately stated annual quantity, will be determined by multiplying the Firm Transportation Quantity times the number of days in the year.

Shipper shall be liable for the reservation charge for each month in which service under this rate schedule is contracted. Reservation charges are subject to pro rata reductions for the first and last months to reflect any days of that month on which service was not contracted to be available. The reservation charge for any month will be reduced appropriately, to the extent that curtailment or interruption by PGPL causes a reduction in the service then being performed for shipper. Should such curtailment or interruption result in a cessation of service for any length of time, Shipper shall not be required to pay a reservation charge for the period of such cessation of service.

FERC Docket: RS92- 47-003

Original Sheet No. 15 Original Sheet No. 15: Effective

3. RATES AND CHARGES

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

3.1 Reservation Charge

PGPL's firm transportation reservation charge is designed under the straight fixed-variable method of rate design. Each firm transportation customer's reservation charge will be the sum of the annual total of the customer's firm quantity entitlements multiplied by the fraction of the number of days in the month divided by the number of days in the year times the applicable rate set forth on the currently effective Tariff Sheet No. 6 of this Volume. The annual total of the customer's firm quantity entitlements shall be as stated in the firm transportation agreement, and in the absence of a separately stated annual quantity, will be determined by multiplying the Firm Transportation Quantity times the number of days in the year.

Shipper shall be liable for the reservation charge for each month in which service under this rate schedule is contracted. Reservation charges are subject to pro rata reductions for the first and last months to reflect any days of that month on which service was not contracted to be available. The reservation charge for any month will be reduced appropriately, to the extent that curtailment or interruption by PGPL causes a reduction in the service then being performed for shipper. Should such curtailment or interruption result in a cessation of service for any length of time, Shipper shall not be required to pay a reservation charge for the period of such cessation of service.

FERC Docket: RS92- 47-001

Original Sheet No. 16 original Sheet No. 16: Superseded

3.2 Transportation Commodity Charge

The sum of the Transportation Commodity Charges, per MMBtu received by or for the account of Shipper during any month and as set forth on the currently effective tariff Sheet No. 11 of this Volume, for service hereunder.

3.3 Reimbursement for Fuel, Losses, and Unaccountables

For gas quantities received from Shipper hereunder, there shall be no additional reimbursement due PGPL for fuel, losses, and unaccountables.

3.4 Range of Rates

The rates and charges stated in Section 3.1 through 3.4 herein and applicable to a Shipper for service hereunder shall be the applicable Maximum Rates as set forth on the effective Tariff Sheet No. 11 of this Volume, except as otherwise agreed upon in writing by PGPL and Shipper under the terms of the applicable Service Agreement. In the event an amount less than the applicable Maximum Rates and not less than the applicable Minimum Rates is agreed upon in writing by PGPL and Shipper, such amount shall apply prospectively and PGPL shall be responsible for compliance with any reporting requirements prescribed by the Commission.

3.5 Further Charges

The following further fees and charges also may be charged by PGPL to the extent applicable to the specific services provided hereunder. $\,$

FERC Docket: RS92- 47-003

Original Sheet No. 16 original Sheet No. 16: Effective

3.2 Transportation Commodity Charge

The sum of the Transportation Commodity Charges, per MMBtu received by or for the account of Shipper during any month and as set forth on the currently effective tariff Sheet No. 11 of this Volume, for service hereunder.

3.3 Reimbursement for Fuel, Losses, and Unaccountables

For gas quantities received from Shipper hereunder, there shall be no additional reimbursement due PGPL for fuel, losses, and unaccountables.

3.4 Range of Rates

The rates and charges stated in Section 3.1 through 3.4 herein and applicable to a Shipper for service hereunder shall be the applicable Maximum Rates as set forth on the effective Tariff Sheet No. 11 of this Volume, except as otherwise agreed upon in writing by PGPL and Shipper under the terms of the applicable Service Agreement. In the event an amount less than the applicable Maximum Rates and not less than the applicable Minimum Rates is agreed upon in writing by PGPL and Shipper, such amount shall apply prospectively and PGPL shall be responsible for compliance with any reporting requirements prescribed by the Commission.

3.5 Further Charges

The following further fees and charges also may be charged by PGPL to the extent applicable to the specific services provided hereunder. $\,$

FERC Docket: RS92- 47-001

Original Sheet No. 17 Original Sheet No. 17: Superseded

- (a) Reimbursement for Filing Fees Shipper shall reimburse PGPL promptly for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by PGPL.
- (b) Reimbursement for New Facilities PGPL may charge Shipper an amount to recover the costs to PGPL of connecting and metering facilities constructed to provide service hereunder. Amounts so received by PGPL will be deducted from facilities costs reflected in PGPL's rates.
- (c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that PGPL recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be PGPL's sole property, and PGPL shall not be obliged to account to Shipper for any value, whether or not realized by PGPL that may attach or be said to attach to such substances.
- 3.6 Imbalance Penalties The following penalties may be charged by PGPL to the extent applicable to the specific services provided herein:
 - (a) Balancing Penalty A penalty as stated in paragraph (b) below, shall be levied by PGPL and paid in dollars or gas, as applicable, by any Shipper who, upon notification by PGPL of the existence of an overage in deliveries and/or redeliveries, fails to correct such imbalance on a

FERC Docket: RS92- 47-003

Original Sheet No. 17 original Sheet No. 17: Effective

(a) Reimbursement for Filing Fees - Shipper shall reimburse PGPL promptly for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by PGPL.

- (b) Reimbursement for New Facilities PGPL may charge Shipper an amount to recover the costs to PGPL of connecting and metering facilities constructed to provide service hereunder. Amounts so received by PGPL will be deducted from facilities costs reflected in PGPL's rates.
- (c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that PGPL recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be PGPL's sole property, and PGPL shall not be obliged to account to Shipper for any value, whether or not realized by PGPL that may attach or be said to attach to such substances.
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FERC Docket: RS92- 47-001

Original Sheet No. 18 Original Sheet No. 18: Superseded

prospective basis within 48 hours after receipt by Shipper of PGPL's notification. Such penalty shall apply on an individual service agreement basis. Nothing herein shall limit PGPL's right to take such actions of whatever nature as may be required to correct imbalances which threaten the integrity of its system, including maintenance of service to other customers. Any cash balancing provided for herein shall be based on the sum of the actual volumes which are out of balance; i.e., daily receipts of natural gas under a Shipper's transportation service agreement as compared to the actual daily deliveries (pipeline receipts minus pipeline deliveries).

The applicable penalty shall be applied to the quantities which exceed the limits specified below on a prospective basis, 48 hours following initial notification by PGPL, in the following instances:

- (i) Shipper delivers or causes to be delivered to PGPL a quantity which exceeds by more than 5% or 50 MMBtu, whichever is greater, Shipper's Firm Transportation Quantity; or
- (ii) Shipper delivers or causes to be delivered to PGPL a quantity which, after appropriate reductions, exceeds by more than 5% or 50 MMBtu, whichever is greater, the quantities taken from PGPL; or
- (iii) The Shipper takes quantities from PGPL which exceed by more than 5% or 50 MMBtu, whichever is greater, the quantities received by PGPL after appropriate reductions.
- (b) Balancing Penalty Computation As to paragraph (a) (i) and (a) (ii) above, the penalty shall be the retention by PGPL of the total quantity of gas exceeding the 5% or 50 MMBtu limits specified therein at no cost to PGPL and free and clear of any adverse claims relating thereto. In the event Shipper does not balance

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Original Sheet No. 18 original Sheet No. 18: Effective

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The applicable penalty shall be applied to the quantities which exceed the limits specified below on a prospective basis, 48 hours following initial notification by PGPL, in the following instances:

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- (ii) Shipper delivers or causes to be delivered to PGPL a quantity which, after appropriate reductions, exceeds by more than 5% or 50 MMBtu, whichever is greater, the quantities taken from PGPL; or
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- (b) Balancing Penalty Computation As to paragraph (a) (i) and (a) (ii) above, the penalty shall be the retention by PGPL of the total quantity of gas exceeding the 5% or 50 MMBtu limits specified therein at no cost to PGPL and free and clear of any adverse claims relating thereto. In the event Shipper does not balance

FERC Docket: RS92- 47-001

Original Sheet No. 19 Original Sheet No. 19: Superseded

within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, PGPL shall also retain any remaining net balance of excess deliveries which exists at the conclusion of such month.

As to paragraph (a) (iii) above, the penalty shall be the dollar equivalent of two (2) times the average "Mid-Continent Spot Gas Price Delivered to Pipeline" as published by Natural Gas Week for the period in which the imbalance occurred, multiplied by the quantities exceeding the 5% or 50 MMBtu limits specified in paragraph (a) (iii) above. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, redeliveries may be suspended until such time as balance is achieved. All penalty revenues received by PGPL pursuant to this Section 3.6 will be credited to those firm transportation Shippers that did not cause the imbalance situation.

(c) Force Majeure - In the event that any penalty would otherwise be applicable under this Section as a direct consequence of any action or failure to take action by PGPL, or of the failure of any facility under PGPL's control, or of an event of force majeure as defined in Section 9 of the General Terms and Conditions of PGPL's FERC Gas Tariff, said penalty shall not apply.

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Original Sheet No. 19 original Sheet No. 19: Effective

within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, PGPL shall also retain any remaining net balance of excess deliveries which exists at the conclusion of such month.

As to paragraph (a) (iii) above, the penalty shall be the dollar equivalent of two (2) times the average "Mid-Continent Spot Gas Price Delivered to Pipeline" as published by Natural Gas Week for the period in which the imbalance occurred, multiplied by the quantities exceeding the 5% or 50 MMBtu limits specified in paragraph (a) (iii) above. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, redeliveries may be suspended until such time as balance is achieved. All penalty revenues received by PGPL pursuant to this Section 3.6 will be credited to those firm transportation Shippers that did not cause the imbalance situation.

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FERC Docket: RS92- 47-001

Original Sheet No. 20 Original Sheet No. 20: Superseded

4. MINIMUM MONTHLY BILL

The Reservation Charge for the month.

- 5. SERVICE IN EXCESS OF FIRM TRANSPORTATION QUANTITY
 - 5.1 Authorized Overrun Service in Excess of Firm Transportation Quantity

Upon the prior request of Shipper and the advance agreement of PGPL's dispatchers, which shall not be unreasonably withheld, PGPL may transport, on any day, a quantity in excess of Shipper's Firm Transportation Quantity if PGPL determines, in its sole discretion, that operating conditions, the availability of capacity, and PGPL's existing commitments to provide any service permit such overrun service to be provided. Any such overrun service will be provided subject to payment of the effective rates and charges and under the terms and conditions applicable to interruptible transportation service under Rate Schedule IT-1.

6. GENERAL TERMS AND CONDITIONS

The effective General Terms and Conditions for Transportation Service contained in PGPL's FERC Gas Tariff, Original Volume No. 1, are applicable to this Rate Schedule and made an integral part hereof.

7. RESERVATIONS

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

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Original Sheet No. 20 original Sheet No. 20 : Effective

4. MINIMUM MONTHLY BILL

The Reservation Charge for the month.

- 5. SERVICE IN EXCESS OF FIRM TRANSPORTATION QUANTITY
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FERC Docket: RS92- 47-001

Original Sheet No. 21 Original Sheet No. 21: Superseded

RATE SCHEDULE IT-1

INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for interruptible transportation service authorized under Part 284 of the regulations of the Federal Energy Regulatory Commission (Commission), by Phillips Gas Pipeline Company (PGPL) for any person (Shipper), subject to (1) the availability of uncommitted interruptible capacity; (2) submission by Shipper and acceptance by PGPL of a valid Request for Transportation in accordance with the provisions of Section 17 of the General Terms and Conditions for Transportation Service of PGPL's FERC Gas Tariff, First Revised Volume No. 1; (3) the prior execution by PGPL and Shipper of the effective form of Service Agreement for this Rate Schedule; (4) the limitation of the Interruptible Transportation Quantity as provided in the service agreement; and (5) the effective requirements stated in this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Volume No. 1, or otherwise established by orders, rules, and regulations of the Commission.

The primary term of any Service Agreement for this Rate Schedule shall extend for the term negotiated and may continue in effect month-to-month thereafter until terminated by PGPL or Shipper upon at least thirty (30) days prior notice to the other.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule applies to all gas transported by PGPL for Shipper pursuant to an executed Service Agreement for this Rate Schedule. Transportation service under this Rate Schedule shall be provided on a fully interruptible basis, up to the Interruptible Transportation Quantity and shall be subject to the terms of the applicable Service

FERC Docket: RS92- 47-003

Original Sheet No. 21 original Sheet No. 21: Effective

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INTERRUPTIBLE TRANSPORTATION SERVICE

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FERC Docket: RS92- 47-001

Original Sheet No. 22 Original Sheet No. 22: Superseded

Agreement, this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Vol. 1, and to the laws, rules and regulations of governmental authorities that are valid and applicable to service hereunder. PGPL is not obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES AND CHARGES

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

3.1 Transportation Commodity Charge

The sum of the Transportation Commodity Charges, per MMBtu received by or for the account of Shipper and as set forth on the effective Tariff Sheet No. 11 for service hereunder.

3.2 Reimbursement for Fuel, Losses and Unaccountables

For gas quantities received from Shipper hereunder, there shall be no additional reimbursement due PGPL for fuel, losses, and unaccountables.

3.3 Range of Rates

The rates and charges stated in Section 3.1 through 3.3 herein and applicable to a Shipper for service hereunder shall be the applicable Maximum Rates as set forth on the effective Tariff Sheet No. 11 of this Volume, except as otherwise agreed upon in writing by PGPL and

FERC Docket: RS92- 47-003

Original Sheet No. 22 Original Sheet No. 22: Effective

Agreement, this Rate Schedule, the General Terms and Conditions for Transportation Service, and any other applicable provisions of PGPL's FERC Gas Tariff, First Revised Vol. 1, and to the laws, rules and regulations of governmental authorities that are valid and applicable to service hereunder. PGPL is not obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

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

3.1 Transportation Commodity Charge

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FERC Docket: RS92- 47-001

Original Sheet No. 23 Original Sheet No. 23: Superseded

Shipper under the terms of the applicable Service Agreement. In the event an amount less than the applicable Maximum Rates and not less than the applicable Minimum Rates is agreed upon in writing by PGPL and Shipper, such amount shall apply prospectively and PGPL shall be responsible for compliance with any reporting requirements prescribed by the Commission.

3.4 Further Charges

The following further fees and charges also may be charged by PGPL from time to time to the extent applicable to the specific services provided hereunder:

- (a) Reimbursement for Filing Fees Shipper shall reimburse PGPL for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by PGPL.
- (b) Reimbursement for New Facilities PGPL may charge Shipper an amount to recover the costs to PGPL of metering and connecting facilities constructed to provide service hereunder. Amounts so received by PGPL will be deducted from facilities costs otherwise reflected in PGPL's rates.
- (c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that PGPL recover in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be PGPL's sole property, and PGPL shall not be obligated to account to Shipper for any value, whether or not realized by PGPL that may attach or be said to attach to such substance.

FERC Docket: RS92- 47-003

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

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The following further fees and charges also may be charged by PGPL from time to time to the extent applicable to the specific services provided hereunder:

- (a) Reimbursement for Filing Fees Shipper shall reimburse PGPL for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by PGPL.
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- (c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that PGPL recover in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be PGPL's sole property, and PGPL shall not be obligated to account to Shipper for any value, whether or not realized by PGPL that may attach or be said to attach to such substance.

FERC Docket: RS92- 47-002

Original Sheet No. 24 Original Sheet No. 24: Superseded

3.5 Imbalance Penalties - The following penalties may be charged by PGPL to the extent applicable to the specific services provided herein:

(a) Balancing Penalty - A Penalty as stated in paragraph (b) below, shall be levied by PGPL and paid in dollars or gas, as applicable, by any Shipper who, upon notification by PGPL of the existence of an overage in deliveries and/or redeliveries, fails to correct such imbalance on a prospective basis within 48 hours of receipt by Shipper of PGPL's notification. Such penalty shall apply on an individual service agreement basis. Nothing herein shall limit PGPL's right to take such actions of whatever nature as may be required to correct imbalances which threaten the integrity of its system, including maintenance of service to other customers. Any cash balancing provided for herein shall be based on the sum of the actual volumes which are out of balance; i.e., daily receipts of natural gas under a Shipper's transportation service agreement as compared to the actual daily deliveries (pipeline receipts minus pipeline deliveries).

The applicable penalty shall be applied to the quantities which exceed the limits specified below, on a prospective basis 48 hours following initial notification by PGPL, in the following instances:

- (i) Shipper delivers or causes to be delivered to PGPL a quantity which exceeds by more than 5% or 50 MMBtu, whichever is greater, Shipper's Interruptible Transportation Quantity; or
- (ii) Shipper delivers or causes to be delivered to PGPL a quantity which, after appropriate reductions, exceeds by more than 5% or 50 MMBtu, whichever is greater, the quantities taken from PGPL; or
- (iii) The Shipper takes quantities from PGPL which exceed by more than 5% or 50 MMBtu, whichever is greater, the quantities received by PGPL after appropriate reductions.

FERC Docket: RS92- 47-002

Original Sheet No. 24 Original Sheet No. 24: Superseded

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The applicable penalty shall be applied to the quantities which exceed the limits specified below, on a prospective basis 48 hours following initial notification by PGPL, in the following instances:

- (i) Shipper delivers or causes to be delivered to PGPL a quantity which exceeds by more than 5% or 50 MMBtu, whichever is greater, Shipper's Interruptible Transportation Quantity; or
- (ii) Shipper delivers or causes to be delivered to PGPL a quantity which, after appropriate reductions, exceeds by more than 5% or 50 MMBtu, whichever is greater, the quantities taken from PGPL; or
- (iii) The Shipper takes quantities from PGPL which exceed by more than 5% or 50 MMBtu, whichever is greater, the quantities received by PGPL after appropriate reductions.

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

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- (iii) The Shipper takes quantities from PGPL which exceed by more than 5% or 50 MMBtu, whichever is greater, the quantities received by PGPL after appropriate reductions.

FERC Docket: RS92- 47-002

Original Sheet No. 25 Original Sheet No. 25: Superseded

(b) Balancing Penalty Computation - As to paragraph (a) (i) and (a) (iii) above, the penalty shall be the retention by PGPL of the total quantity of gas exceeding the 5% or 50 MMBtu limits specified therein at no cost to PGPL and free and clear of any adverse claims relating thereto. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, PGPL shall also retain any remaining net balance of excess deliveries which exists at the conclusion of such month.

As to paragraph (a) (iii) above, the penalty shall be the dollar equivalent of two (2) times the average "Mid-Continent Spot Gas Price Delivered to Pipeline" as published by Natural Gas Week for the period in which the imbalance occurred, multiplied by the quantities exceeding the 5% or 50 MMBtu limits specified in paragraph (a) (iii) above. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, redeliveries may be suspended until such time as balance is achieved. All penalty revenues received by PGPL pursuant to this Section 3.5 will be credited to those firm transportation Shippers that did not cause the imbalance situation.

FERC Docket: RS92- 47-002

Original Sheet No. 25 Original Sheet No. 25: Superseded

(b) Balancing Penalty Computation - As to paragraph (a) (i) and (a) (iii) above, the penalty shall be the retention by PGPL of the total quantity of gas exceeding the 5% or 50 MMBtu limits specified therein at no cost to PGPL and free and clear of any adverse claims relating thereto. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, PGPL shall also retain any remaining net balance of excess deliveries which exists at the conclusion of such month.

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(b) Balancing Penalty Computation - As to paragraph (a) (i) and (a) (iii) above, the penalty shall be the retention by PGPL of the total quantity of gas exceeding the 5% or 50 MMBtu limits specified therein at no cost to PGPL and free and clear of any adverse claims relating thereto. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, PGPL shall also retain any remaining net balance of excess deliveries which exists at the conclusion of such month.

As to paragraph (a) (iii) above, the penalty shall be the dollar equivalent of two (2) times the average "Mid-Continent Spot Gas Price Delivered to Pipeline" as published by Natural Gas Week for the period in which the imbalance occurred, multiplied by the quantities exceeding the 5% or 50 MMBtu limits specified in paragraph (a) (iii) above. In the event Shipper does not balance within the applicable month following Shipper's receipt of notification as provided in paragraph (a) above from PGPL, redeliveries may be suspended until such time as balance is achieved. All penalty revenues received by PGPL pursuant to this Section 3.5 will be credited to those firm transportation Shippers that did not cause the imbalance situation.

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- (c) Force Majeure In the event that any penalty would otherwise be applicable under this Section as a direct consequence of any action or failure to take action by PGPL, or of the failure of any facility under PGPL's control, or of an event of force majeure as defined in Section 9 of the General Terms and Conditions of PGPL's FERC Gas Tariff, said penalty shall not apply.
- 4. SERVICE IN EXCESS OF INTERRUPTIBLE TRANSPORTATION QUANTITY
 - 4.1 Authorized Overrun Service In Excess of Interruptible Transportation Quantity

Upon the prior request of Shipper and the advance agreement of PGPL's dispatchers, which shall not be unreasonably withheld, Shipper may tender and PGPL may transport, on any day, a quantity in excess of Shipper's Interruptible Transportation Quantity if PGPL determines, in its sole discretion, that operating conditions, the availability of capacity, and PGPL's existing commitments to provide any service permit such overrun service to be provided. Any such overrun service will be provided subject to payment of the effective rates and charges under the terms and conditions applicable to interruptible transportation service under this Rate Schedule IT-1.

5. REDUCTION OF INTERRUPTIBLE TRANSPORTATION QUANTITY

Whenever Shipper fails to tender gas for transportation for reasons other than force majeure or interruption of service by PGPL, an average of daily quantities for any period of sixty (60) consecutive days which is equal to or greater than sixty (60) percent of Shipper's then-effective Interruptible Transportation Quantity, then within one hundred and twenty (120) days thereafter, PGPL may reduce Shipper's Interruptible Transportation Quantity by an amount not greater than

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 - 4.1 Authorized Overrun Service In Excess of Interruptible Transportation Quantity

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twenty-five (25) percent of such quantity, upon at least thirty (30) days' prior written notice to Shipper. Thereafter, PGPL may reapply this Section 5 to make further reductions based on subsequent sixty (60) day periods. Shipper is not precluded from seeking the replacement of any reduction through a request for new service, which is subject to the applicable requirements and the availability of capacity.

6. GENERAL TERMS AND CONDITIONS

The effective General Terms and Conditions for Transportation Service contained in PGPL's FERC Gas Tariff, First Revised Volume No. 1, are applicable to this Rate Schedule and are, by this reference incorporated herein and made an integral part hereof.

7. RESERVATIONS

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

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 7:00 o'clock a.m. Central Time or such other time as Shipper and PGPL may agree upon.
- 1.2 The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
- 1.3 The term "billing month" shall mean that month of service hereunder which immediately precedes the month in which PGPL is obligated to render a bill for such service.
- 1.4 The term "contract year" shall mean a period of twelve (12) consecutive months beginning with the month of January, the first contract year to begin with the month of January next following the date gas is first delivered.
- 1.5 The word "gas" shall mean gas from gas wells, casinghead gas produced with crude oil, and residue gas resulting from the processing of either gas well gas or casinghead gas or both.
- 1.6 The term "cubic foot of gas" shall mean that quantity of gas which, at a temperature of sixty degrees (60ø) Fahrenheit and at a pressure of 14.65 pounds per square inch absolute, occupies one (1) cubic foot.
- 1.7 The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in paragraph 4 hereof.

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- 1.8 The term "Btu" shall mean British Thermal Unit, and is defined as the amount of heat required to raise the temperature of one pound of water one degree (1ø) Fahrenheit at a standard pressure of fourteen and sixty-five hundredths pounds per square inch absolute (14.65 p.s.i.a.) and a starting temperature of 59.5ø F.
- 1.9 The term "gross heating value" shall mean the quantity of heat in Btu's liberated by the complete combustion at constant pressure, of a cubic foot of gas at a temperature of sixty degrees (60ø) Fahrenheit saturated with water vapor and at an absolute pressure of fourteen and sixty-five hundredths pounds per square inch absolute (14.65 p.s.i.a.) with air at the same temperature and pressure as the gas, when the products of the combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the liquid state.
- 1.10 The term "MMBtu" shall mean one million Btu.
- 1.11 The term "psig" shall mean pounds per square inch gauge.
- 1.12 The term "transportation" shall mean the compression or transmission of gas or some combination thereof whether by exchange, backhaul or any other actual or constructive method of movement.
- 1.13 The term "firm transportation quantity" shall be the quantity of natural gas which PGPL shall be obligated to receive from shipper and transport on any day under a Firm Service Agreement, and shall be as stated in the Firm Service Agreement.
- 1.14 The term "interruptible transportation quantity" shall be the maximum quantity of natural gas which PGPL may be obligated to receive from Shipper on an interruptible basis on any day under an Interruptible Service Agreement, subject to reduction under the provisions of Section 14 thereof.

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- 1.15 The term "PGPL" shall mean Phillips Gas Pipeline Company.
- 1.16 The term "Shipper" shall mean the person that has executed a Firm or Interruptible Transportation Service Agreement with PGPL for transportation service hereunder or, as the context may require, any person requesting service hereunder.
- 1.17 The terms "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

2. QUALITY OF GAS

- 2.1 Quality Standards: The gas which PGPL receives hereunder from Shipper for transport (and the gas which PGPL delivers hereunder to Shipper) shall be merchantable gas, at all times complying with the following quality requirements:
 - (a) Heating Value: The gas received hereunder shall have a gross heating value of not less than one thousand (1000) Btu's per cubic foot, dry basis.
 - (b) Freedom from Objectional Matter: The gas received and delivered hereunder:
 - (1) Shall be commercially free from sand, dust, gums, water, crude oil, impurities and other objectional substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization.

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- (2) Shall not contain more than one-quarter (1/4) grain of hydrogen sulfide or more than five (5) grains of total sulphur per one hundred (100) cubic feet.
- (3) Shall not contain more than one percent (1%) of volume of carbon dioxide.
- (4) Shall not exceed one hundred twenty degrees (120 \varnothing) Fahrenheit in temperature at the point of receipt.
- (5) Shall be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than one percent (1%) of oxygen by volume.
- (6) Shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.
- (7) Shall not contain in excess of two percent (2%) of nitrogen by volume.
- (c) Acceptance of Gas not Meeting Quality Standards: PGPL shall have the right to accept receipt of any gas not complying with the foregoing quality specifications subject to its right at any time thereafter to require that the quality specifications stated above shall be observed for all future receipts.
 - (1) In the event PGPL should agree to accept any gas having a non-hydrocarbon content in excess of 3% of the total volume, such non-hydrocarbon content in excess thereof shall be deemed to have 1000 Btu per cubic foot for transportation billing purposes but shall not be utilized the calculation of thermal equivalent volumes for delivery purposes.

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2.2 Composition and Heating Value Determination:

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

3. MEASURING EQUIPMENT

3.1 Installation: At each point of receipt and delivery hereunder all measuring equipment, devices and materials shall be furnished and installed, owned, maintained and operated by PGPL except as provided in Section 4.1 below; provided

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however, that PGPL may require at its option that Shipper bear the expense of furnishing and installing such equipment, devices and materials. Shipper may install and operate check measuring equipment provided it does not interfere with the use of PGPL's equipment.

- 3.2 Testing Meter Equipment: PGPL's meter or meters shall be open to inspection by Shipper in the presence of PGPL. PGPL shall test its meters for accuracy of measurement quarterly or as often as PGPL deems advisable. Notice of the time and nature of each test shall be given by PGPL to Shipper sufficiently in advance to permit convenient arrangement for the presence of the representative of Shipper. If after notice Shipper fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. If any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. A registration within one percent (1%) of correct shall be considered correct as to deliveries prior to the test.
- 3.3 Correction and Adjustment: If upon test, measuring equipment is found to be not more than one percent (1%) inaccurate, previous readings of such equipment after the last preceding test shall be considered correct, but equipment shall be adjusted to record accurately. If, on any test, measuring equipment is found to be inaccurate by an amount exceeding one percent (1%), or if at any time measuring equipment should be out of service or not registering, gas delivered through the period during which the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated upon by use of the first of the following methods which may be applicable:
 - (a) By using the registration of any check measuring equipment installed by Shipper if registering accurately; or

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however, that PGPL may require at its option that Shipper bear the expense of furnishing and installing such equipment, devices and materials. Shipper may install and operate check measuring equipment provided it does not interfere with the use of PGPL's equipment.

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 - (a) By using the registration of any check measuring equipment installed by Shipper if registering accurately; or

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(b) By computing error if percentage of error is ascertainable by calibration; test or mathematical calculation; or

(c) By estimating the quantity delivered and/or its thermal content by reference to actual deliveries during preceding periods under similar conditions when measuring equipment was registering accurately.

If the period during which measuring equipment has been registering inaccurately or has been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since measuring equipment was previously tested and found to be registering within one percent (1%) of accurate or was adjusted to register accurately. All corrections made as above provided shall be made to zero error.

4. MEASUREMENTS

4.1 Metering: The gas received by PGPL hereunder shall be metered by orifice or other meters of standard make to be operated and kept in repair by PGPL at each point of receipt by PGPL hereunder. All gas delivered hereunder by PGPL to or for the account of Shipper at locations other than the point of interconnection between the facilities of PGPL and Phillips Texas Border Pipeline Company at the southern terminus of PGPL's pipeline shall be metered in the same manner. The volumes of gas delivered to Phillips Texas Border Pipeline Company for the account of each Shipper at the southern terminus of PGPL's pipeline need not be metered but may be calculated by PGPL using information furnished by Phillips Texas Border Pipeline Company regarding the composition, heating value and volume of each of the dispositions of natural gas from Phillips Texas Border Pipeline Company's Texas

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(b) By computing error if percentage of error is ascertainable by calibration; test or mathematical calculation; or

(c) By estimating the quantity delivered and/or its thermal content by reference to actual deliveries during preceding periods under similar conditions when measuring equipment was registering accurately.

If the period during which measuring equipment has been registering inaccurately or has been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since measuring equipment was previously tested and found to be registering within one percent (1%) of accurate or was adjusted to register accurately. All corrections made as above provided shall be made to zero error.

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Border Gathering System pipeline. Each Shipper for whom deliveries are made to Phillips Texas Border Pipeline Company's Texas Border Gathering System at the southern terminus of PGPL's pipeline hereby authorizes deliveries to Phillips Texas Border Pipeline Company for further transportation on Shipper's behalf and further covenants with PGPL that it has entered into separate and satisfactory transportation arrangement with Phillips Texas Border Pipeline Company for the transportation of such volumes delivered to Phillips Texas Border Pipeline Company at the southern terminus of PGPL's pipeline shall be considered to be equal to the volume, composition and heating content of the gas received by PGPL for transportation less allocable line loss, company use gas and unaccountables, determined through an analysis of all sources and dispositions of gas from PGPL's Seagas Pipeline and Phillips Texas Border Pipeline Company's Texas Border Gathering System.

4.2 Measurement Basis: All volumes of gas shall be computed to a standard cubic foot at a pressure base of 14.65 pounds per square inch absolute and at a temperature base of sixty degrees (60ø) Fahrenheit. Orifice meters shall be installed and volumes computed in accordance with American Gas Association, Orifice Metering of Natural Gas, Gas Measurement Committee Report No. 3, reprinted September, 1985, or the latest revision thereof. In making such measurements, the flowing temperature of the natural gas and the variable factors necessary to calculate the metered volumes in accordance with the ideal gas laws and the variable factors to correct for deviation from the ideal gas laws shall be in accordance with the rules, regulations and determinations of the regulatory authority having jurisdiction; and unless otherwise therein provided or measured, the absolute atmospheric pressure shall be as specified in the applicable service agreement. The value of the Reynolds number factor, expansion, manometer factor, supercompressability factor, and the gauge location factor, or any one of them, may be assumed by PGPL to be one (1.0). At PGPL's option the temperature of the gas passing the meters shall be determined by use of a recording thermometer so

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Border Gathering System pipeline. Each Shipper for whom deliveries are made to Phillips Texas Border Pipeline Company's Texas Border Gathering System at the southern terminus of PGPL's pipeline hereby authorizes deliveries to Phillips Texas Border Pipeline Company for further transportation on Shipper's behalf and further covenants with PGPL that it has entered into separate and satisfactory transportation arrangement with Phillips Texas Border Pipeline Company for the transportation of such volumes delivered to Phillips Texas Border Pipeline Company at the southern terminus of PGPL's pipeline shall be considered to be equal to the volume, composition and heating content of the gas received by PGPL for transportation less allocable line loss, company use gas and unaccountables, determined through an analysis of all sources and dispositions of gas from PGPL's Seagas Pipeline and Phillips Texas Border Pipeline Company's Texas Border Gathering System.

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installed that it may properly record the temperature of the gas flowing through the meter; otherwise the temperature shall be assumed to be sixty (60 σ) degrees Fahrenheit. The specific gravity shall be determined quarterly or as often as PGPL deems advisable.

4.3 Computation of Billing Volume: The Billing Volume in MMBtu shall be determined by multiplying the volume as measured for the billing month in Mcf by the Gross Heating Value of such gas as defined in Paragraph 1.9 of the General Terms and Conditions.

5. INSPECTION OF EQUIPMENT AND RECORDS

5.1 Verification of Computations: Each party shall have the right at reasonable business hours to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to the provisions of this rate schedule.

If any such examination reveals an inaccuracy in any billing theretofore made, the necessary adjustment to such billing and payment shall be promptly made.

In the event an error is discovered in the amount billed in any statement rendered by PGPL, such error shall be adjusted promptly; provided however that all statements and billing shall be deemed correct and all claims and causes of action for correction waived and released except to the extent that a written request for adjustment or correction has been received by PGPL within twenty-four (24) months from the date of such statement.

5.2 Inspection of Equipment and Data: Each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during regular business hours; but the reading,

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installed that it may properly record the temperature of the gas flowing through the meter; otherwise the temperature shall be assumed to be sixty (60 σ) degrees Fahrenheit. The specific gravity shall be determined quarterly or as often as PGPL deems advisable.

4.3 Computation of Billing Volume: The Billing Volume in MMBtu shall be determined by multiplying the volume as measured for the billing month in Mcf by the Gross Heating Value of such gas as defined in Paragraph 1.9 of the General Terms and Conditions.

5. INSPECTION OF EQUIPMENT AND RECORDS

5.1 Verification of Computations: Each party shall have the right at reasonable business hours to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to the provisions of this rate schedule.

If any such examination reveals an inaccuracy in any billing theretofore made, the necessary adjustment to such billing and payment shall be promptly made.

In the event an error is discovered in the amount billed in any statement rendered by PGPL, such error shall be adjusted promptly; provided however that all statements and billing shall be deemed correct and all claims and causes of action for correction waived and released except to the extent that a written request for adjustment or correction has been received by PGPL within twenty-four (24) months from the date of such statement.

5.2 Inspection of Equipment and Data: Each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during regular business hours; but the reading,

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calibration and adjustment of such equipment and changing of charts shall be done only by party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least three (3) years.

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

6. BILLING

6.1 Billing Under Rate Schedules: PGPL shall submit a bill to Shipper on or before the tenth (10th) working day of each calendar month for natural gas received, transported and delivered during the preceding billing month.

7. PAYMENT

- 7.1 Payment Under Rate Schedules: On or before the tenth (10th) day following the date of PGPL's monthly billing, Shipper shall pay to or on the order of PGPL in immediately available funds at PGPL's office, Bartlesville, Oklahoma or at such other location as PGPL may from time to time designate in writing to Shipper, the amount of the bill rendered by PGPL for the billing month in accordance with Paragraph 6.1.
- 7.2 Interest on Unpaid Amounts: Should Shipper fail to pay the amount of any bill rendered by PGPL when such amount is due, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with Section 154.67 of the Commission's Regulations from the due date through the date of receipt of payment by PGPL.

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7.3 Remedies for Failure to Pay: If such failure to pay continues for sixty (60) days after payment is due, PGPL, in addition to any other remedy it may have, may (subject to obtaining any requisite regulatory approval) suspend further receipt and delivery of gas until such amount is paid unless Shipper in good faith disputes the amount owing and pays such amount as it concedes to be correct. In addition, should legal action be necessary to secure payment, Shipper shall pay PGPL's costs and attorney's fees.

8. NOTICE OF CHANGES IN OPERATING CONDITIONS

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

FORCE MAJEURE

- 9.1 In the event either party hereto is rendered unable, wholly or in part by force majeure to carry out its obligations under this contract other than to make payments due hereunder, the obligations of the party so far as they are affected by such force majeure shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.
- 9.2 The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, fires, lightning, earthquakes, storms, floods, washouts, arrests and restraints of governments and

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people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, hydrate obstruction of lines or pipe, freezing of wells or lines of pipe, and other causes whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspensions and which by the exercise of due diligence such party is unable to prevent or overcome; such term shall likewise include (a) in those instances where either party hereto is require to obtain servitudes, right-of-way grants or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring at reasonable cost and after the exercise of reasonable diligence, such servitudes rightof-way grants, permits or licenses, and (b) in those instances where either party hereto is required to furnish materials and supplies for the purpose of construction or maintaining facilities or is required to secure permits or permissions from any governmental agency to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions.

9.3 It is understood and agreed that the settlement of strikes, lockouts, or other labor disturbances shall be entirely within the discretion of the party having the difficulty, and that the above requirements that are force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of the party having the difficulty.

10. WARRANTY OF TITLE

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

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11. LIABILITY OF PARTIES

PGPL and Shipper each assume full responsibility and liability for the maintenance and operation of its respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all damage, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party; provided however, that neither party agrees to indemnify the other party for the negligence of the other party, its agents, servants or employees.

12. NOMINATION, NOTIFICATION AND SCHEDULING

- 12.1 Shippers Nomination and Notification Requirements: Shipper shall furnish or cause to be furnished to PGPL schedules of throughput requirements, by individual point of receipt and delivery.
 - (a) Monthly Nomination: On or before the twenty-fifth (25th) day of the month preceding each month in which gas is to be tendered by Shipper to PGPL, Shipper shall furnish to PGPL a written nomination schedule showing the estimated daily quantity of gas Shipper desires PGPL to transport during the month. Should Shipper fail to provide this nomination on or before the first day of the month, PGPL may deem the Shipper's nomination to be zero (0). PGPL may refuse to receive or redeliver any gas not timely and properly scheduled. Shipper shall indemnify and hold PGPL harmless from any liability to Shipper or any other person as a direct or indirect consequence of such refusal.
 - (b) Daily Notification: Shipper shall give PGPL at least eight (8) hours notice prior to the proposed change of a daily quantity from that set forth in subparagraph (a).

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 - (b) Daily Notification: Shipper shall give PGPL at least eight (8) hours notice prior to the proposed change of a daily quantity from that set forth in subparagraph (a).

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Daily changes in nominations shall be made only as necessitated by operating conditions not reasonably foreseeable at the time such schedules were tendered. PGPL may waive any part of the eight (8) hours notice, upon request, if operating conditions permit such waiver. Shipper shall immediately inform PGPL of any other changes in volumes tendered for receipt or redelivery, including make up quantities tendered for correcting imbalances.

- (c) Quarterly Schedules: At least ten (10) days prior to the first day of January, April, July and October, Shipper shall furnish PGPL a written schedule of the estimated daily quantity beginning on such date.
- 12.2 Shipper's Designee: At least ten (10) days prior to the commencement of service by PGPL, Shipper must provide written notice to PGPL designating a person to provide the nomination information set forth in this Section. Shipper may designate another person to provide this information by providing PGPL at least ten (10) days prior written notice thereof. If Shipper designates another person to provide this information, PGPL shall be entitled to rely on the scheduling previously provided by Shipper unless and until PGPL receives at least ten (10) days prior written notice to the contrary.
- 12.3 Additional Information: Shipper will comply with reasonable requests by PGPL for additional information which PGPL believes is necessary to perform service hereunder or to comply with the valid reporting other requirements of the Commission or other regulatory agencies having jurisdiction.

13. POINT OF RECEIPT AND DELIVERY

13.1 Permanent Changes to Primary Receipt and Delivery Points:
Any Shipper may permanently change primary receipt or delivery points by amending Exhibit A of the Service Agreement.
Permanent changes to primary receipt or delivery points shall be given priority over all interruptible and overrun transportation service requested through the affected receipt or delivery points.

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13. POINT OF RECEIPT AND DELIVERY

13.1 Permanent Changes to Primary Receipt and Delivery Points:
Any Shipper may permanently change primary receipt or delivery points by amending Exhibit A of the Service Agreement.
Permanent changes to primary receipt or delivery points shall be given priority over all interruptible and overrun transportation service requested through the affected receipt or delivery points.

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13.2 Use of Alternate Receipt and Delivery Points on a Temporary Basis:

- (a) Any Shipper may temporarily designate alternate receipt or delivery points by amending Exhibit A of the Service Agreement, which will be available for the receipt or delivery of gas on a best efforts basis, with a priority of service requested through the affected points but after firm service at such points.
- (b) Requests for temporary changes to receipt or delivery points must specify the period of time a Shipper will utilize the alternate points so that PGPL may post the temporary availability of primary receipt or delivery points for use on a temporary basis to PGPL's Electronic Bulletin Board. At the end of the designated period, Shipper's rights to the capacity at the alternate receipt or delivery points shall terminate and Shipper's rights shall revert to the primary receipt and delivery points, unless Shipper designates the same or other alternate receipt or delivery points for use during an additional period.
- (c) The designation of alternate receipt or delivery points under a Service Agreement will not result in the loss of firm contract rights to a Shipper's primary receipt or delivery points as specified in the Shipper's Service Agreement.
- 13.3 Procedures for Requesting Permanent and Alternate Receipt and Delivery Point Changes: Any Shipper who wishes to amend the receipt or delivery points named in Exhibit A of its Service Agreement shall submit a request for service to PGPL pursuant to Section 17 of the General Terms and Conditions four (4) working days prior to the first of the month for which the change is desired, or for changes to occur during a month, after the first of the month, two (2) days prior to the commencement of service, unless otherwise agreed to by the

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13.2 Use of Alternate Receipt and Delivery Points on a Temporary
 Basis:

- (a) Any Shipper may temporarily designate alternate receipt or delivery points by amending Exhibit A of the Service Agreement, which will be available for the receipt or delivery of gas on a best efforts basis, with a priority of service requested through the affected points but after firm service at such points.
- (b) Requests for temporary changes to receipt or delivery points must specify the period of time a Shipper will utilize the alternate points so that PGPL may post the temporary availability of primary receipt or delivery points for use on a temporary basis to PGPL's Electronic Bulletin Board. At the end of the designated period, Shipper's rights to the capacity at the alternate receipt or delivery points shall terminate and Shipper's rights shall revert to the primary receipt and delivery points, unless Shipper designates the same or other alternate receipt or delivery points for use during an additional period.
- (c) The designation of alternate receipt or delivery points under a Service Agreement will not result in the loss of firm contract rights to a Shipper's primary receipt or delivery points as specified in the Shipper's Service Agreement.
- 13.3 Procedures for Requesting Permanent and Alternate Receipt and Delivery Point Changes: Any Shipper who wishes to amend the receipt or delivery points named in Exhibit A of its Service Agreement shall submit a request for service to PGPL pursuant to Section 17 of the General Terms and Conditions four (4) working days prior to the first of the month for which the change is desired, or for changes to occur during a month, after the first of the month, two (2) days prior to the commencement of service, unless otherwise agreed to by the

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parties and shall execute an amendment which implements service under the revised Exhibit A. If PGPL determines that a receipt or delivery point change request will be honored and an amended Exhibit to the Service Agreement is executed by PGPL, notice of the resulting changes in available receipt or delivery point capacity will be posted to PGPL's Electronic Bulletin Board at least one (1) working day prior to implementation of such change. Permanent and alternate receipt and delivery point changes shall be made through and posted on the Electronic Bulletin Board.

13.4 PGPL's Maximum Service Obligation: The total volumes nominated for service on any day or all receipt or delivery points must not exceed Contract Demand under a Shipper's Firm Service Agreement and shall not exceed the total Maximum Transportation Quantity or Shipper's Firm Service Agreement, as applicable, except as otherwise provided in Section 12 of this Rate Schedule.

14. CURTAILMENT AND INTERRUPTION

PGPL shall have the right to curtail or discontinue shipments, since PGPL may obligate itself to transport, on an interruptible basis, more gas than there may be at times capacity to transport and redeliver through its pipeline, in whole or in part on all or a portion of its system from time to time and at any time, under the following conditions and in the following manner:

14.1 Operating or Remedial Curtailment or Interruption may be ordered by PGPL at any time if in PGPL's judgment capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes, the conduct of which will occasion interruption, upon such notice as is reasonable under the circumstances and in the following order, to the extent practicable.

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parties and shall execute an amendment which implements service under the revised Exhibit A. If PGPL determines that a receipt or delivery point change request will be honored and an amended Exhibit to the Service Agreement is executed by PGPL, notice of the resulting changes in available receipt or delivery point capacity will be posted to PGPL's Electronic Bulletin Board at least one (1) working day prior to implementation of such change. Permanent and alternate receipt and delivery point changes shall be made through and posted on the Electronic Bulletin Board.

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Interruptible service shall be first curtailed. Interruptible service commencing with service that at the time notice was given was being charged at a rate that is less than the maximum rate of PGPL then in effect under this tariff in sequence starting with transportation service charged at the lowest rate and then in the ascending order of rates to the then maximum rate. For service being rendered at the same rate, consideration shall be given to the date service was requested and the request most proximate to the date notice is given by PGPL of the particular curtailment or interruption shall be the first interrupted; next in order shall be service being charged the maximum rate in sequence starting with the service which was requested most proximate to the date notice is given by PGPL.

- (b) If in the sequence of interruptible service curtailments, a capacity allocation becomes necessary among Shippers paying the same rates and having the same date of service request, PGPL shall allocate on a pro rata basis such available capacity to such similarly situated Shippers.
- (c) Any interruptible Shipper not paying the maximum rate may be interrupted unless the interruptible Shipper is willing to pay a rate that will match or exceed a competing offer to pay the highest rate then being offered up to the maximum rate for interruptible transportation service. If any interruptible Shipper is notified by PGPL of potential interruption due to another interruptible Shipper's willingness to pay a higher interruptible transportation rate than the

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Interruptible service shall be first curtailed. Interruptible service commencing with service that at the time notice was given was being charged at a rate that is less than the maximum rate of PGPL then in effect under this tariff in sequence starting with transportation service charged at the lowest rate and then in the ascending order of rates to the then maximum rate. For service being rendered at the same rate, consideration shall be given to the date service was requested and the request most proximate to the date notice is given by PGPL of the particular curtailment or interruption shall be the first interrupted; next in order shall be service being charged the maximum rate in sequence starting with the service which was requested most proximate to the date notice is given by PGPL.

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- (c) Any interruptible Shipper not paying the maximum rate may be interrupted unless the interruptible Shipper is willing to pay a rate that will match or exceed a competing offer to pay the highest rate then being offered up to the maximum rate for interruptible transportation service. If any interruptible Shipper is notified by PGPL of potential interruption due to another interruptible Shipper's willingness to pay a higher interruptible transportation rate than the

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discounted interruptible rate determined between PGPL and the Shipper to which the notice is given, the latter may within five (5) days of such notice elect in writing to pay a higher rate which matches or exceeds the competing offer and thereby retain its priority. If the Shipper does not exercise its right to match or exceed a competing offer within the specified five (5) day period, the Shipper may lose its priority, and it may not thereafter offer to pay the higher rate and reclaim its place in the priority queue.

- (d) Firm service shall be the last in order of curtailment or interruption. If firm service interruptions or curtailments become necessary among firm Shippers, capacity will be allocated on a pro rata basis to such similarly situated Shippers.
- (e) In the sequence of interruptions or curtailments, either interruptible or firm, service within contractual entitlements will have priority over authorized excess overrun service.
- 14.2 Emergency Use of Receipt and Delivery Points:
 - (a) PGPL will allow, subject to available capacity and confirmation of supply availability, temporary utilization of receipt or delivery points not listed on Exhibits A and B to the executed Service Agreement in the event of interruption of firm transportation due to capacity constraints, or in the event of failure to deliver committed gas supplies because of equipment failure, compressor malfunction, freezing, or similar force majeure conditions. PGPL will provide such notice to Shippers of firm receipt or delivery point changes resulting from capacity constraints or force majeure conditions as may be reasonable under the circumstances.

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(b) Temporary emergency use of receipt or delivery points pursuant to this Section shall be given priority over all interruptible or overrun transportation requested through the affected receipt or delivery points. Primary and alternate receipt and delivery points for firm transportation will not be bumped, preempted, or curtailed to accommodate temporary emergency receipt or delivery point changes made pursuant to this section.

- 14.3 Force Majeure Curtailment or Interruption may be ordered by PGPL as to service being performed by its system at any time when force majeure affects or in PGPL's judgment threatens to affect PGPL's ability to provide full shipments, upon the giving of such notice as is reasonable under the circumstances.
- 14.4 Situation Reports and Notices
 - (a) PGPL will provide Shipper with five (5) days advance notice of curtailment or interruption of transportation service except as stated in Section 14.3(b) below.
 - (b) In the case of curtailment of interruption due to (a) unanticipated causes where five (5) days advance notice is not possible or (b) force majeure, PGPL shall provide Shipper with a notice of curtailment or interruption at a time and in a manner that is reasonable under the existing conditions, and shall in any event confirm in writing the notice given if originally provided telephonically.
 - (c) Shipper shall have the responsibility to inform its suppliers, other transporters and all others involved in the transportation, as to any curtailment or interruption.

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(b) Temporary emergency use of receipt or delivery points pursuant to this Section shall be given priority over all interruptible or overrun transportation requested through the affected receipt or delivery points. Primary and alternate receipt and delivery points for firm transportation will not be bumped, preempted, or curtailed to accommodate temporary emergency receipt or delivery point changes made pursuant to this section.

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- 14.4 Situation Reports and Notices
 - (a) PGPL will provide Shipper with five (5) days advance notice of curtailment or interruption of transportation service except as stated in Section 14.3(b) below.
 - (b) In the case of curtailment of interruption due to (a) unanticipated causes where five (5) days advance notice is not possible or (b) force majeure, PGPL shall provide Shipper with a notice of curtailment or interruption at a time and in a manner that is reasonable under the existing conditions, and shall in any event confirm in writing the notice given if originally provided telephonically.
 - (c) Shipper shall have the responsibility to inform its suppliers, other transporters and all others involved in the transportation, as to any curtailment or interruption.

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(d) Shipper shall hold PGPL harmless for any and all claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by PGPL.

15. CONDITIONS OF RECEIPT AND DELIVERY

- 15.1 Receipt and Redelivery Quantities: If Shipper does not accept the quantity nominated by Shipper at the point of delivery on any day or days, then PGPL may refuse to receive gas from Shipper at the Point of Receipt on such day or days. PGPL may refuse to deliver quantities to Shipper at the Point of Delivery if Shipper should be unable to provide the equivalent quantities to PGPL at the Point of Receipt.
- 15.2 Daily Rates of Flow: The gas to be transported hereunder shall be received and delivered at uniform hourly and daily rates of flow as nearly as practicable, but it is recognized that due to operating conditions the quantities of gas received and delivered may not be in balance on any one particular day. PGPL and Shipper shall endeavor to keep such variance to a minimum, and following receipt of monthly statements, shall adjust receipts and deliveries as promptly as is consistent with operating conditions in order to balance any excess of deficiency.
- 15.3 Monthly Balancing: In the event that the monthly quantities of gas received and delivered are not in balance, balance shall be achieved pursuant to Section 3 of PGPL's applicable Rate Schedule. Any deficiency in receipts or deliveries shall be made up by the first gas to be received or delivered by PGPL.
- 15.4 Final Balancing: Within thirty (30) days of the termination of the Service Agreement, PGPL and Shipper shall adjust the quantities of gas transported by receiving

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15. CONDITIONS OF RECEIPT AND DELIVERY

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- 15.2 Daily Rates of Flow: The gas to be transported hereunder shall be received and delivered at uniform hourly and daily rates of flow as nearly as practicable, but it is recognized that due to operating conditions the quantities of gas received and delivered may not be in balance on any one particular day. PGPL and Shipper shall endeavor to keep such variance to a minimum, and following receipt of monthly statements, shall adjust receipts and deliveries as promptly as is consistent with operating conditions in order to balance any excess of deficiency.
- 15.3 Monthly Balancing: In the event that the monthly quantities of gas received and delivered are not in balance, balance shall be achieved pursuant to Section 3 of PGPL's applicable Rate Schedule. Any deficiency in receipts or deliveries shall be made up by the first gas to be received or delivered by PGPL.
- 15.4 Final Balancing: Within thirty (30) days of the termination of the Service Agreement, PGPL and Shipper shall adjust the quantities of gas transported by receiving

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gas at the Point of Receipt or delivering gas at the Point of Delivery as appropriate, until balance has been achieved as allowed in Section 3 of PGPL's applicable Rate Schedule.

16. APPLICABLE LAWS, REGULATIONS AND WAIVERS

16.1 Duly Constituted Authorities, Laws, and Regulations:
These General Terms and Conditions for Transportation
Service and the Rate Schedules and Agreements to which
these apply shall be subject to all valid laws of the United
States and of the State of Oklahoma and the orders, rules
and regulations of duly constituted authorities having
jurisdiction. Agreements subject to the provisions of these
General Terms and Conditions For Transportation Service
are voidable by PGPL, in whole or in part, in the event
that the orders, rules, or regulations in effect on the date
of execution of the Agreement are stayed, overturned, or
revised in a way that is unsatisfactory to PGPL.

The parties agree that the laws of the State of Oklahoma shall govern the validity, construction, interpretation and effect of this agreement and of the general terms and conditions incorporated by reference in this agreement.

16.2 Waiver on Suits and Proceedings: As to all matters within its actual or imputed control, Shipper represents and warrants that service hereunder and all arrangements incident thereto conform to applicable laws, orders, rules, regulations and tariffs. Shipper agrees to indemnify and hold PGPL harmless against any and all actions, suits or proceedings, concerning such service or arrangements, which are brought or instituted by any party or authority having jurisdiction.

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The parties agree that the laws of the State of Oklahoma shall govern the validity, construction, interpretation and effect of this agreement and of the general terms and conditions incorporated by reference in this agreement.

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16.3 Waiver of Default: No waiver by Shipper or PGPL of any one or more defaults by the other in performance of the provisions of these General Terms and Conditions for Transportation Service and the Rate Schedules and Agreements to which these apply shall be construed as a waiver of any future default or defaults, whether of a like or a different character.

17. REQUESTS FOR TRANSPORTATION

17.1 Transportation service may also be acquired via PGPL's Electronic Bulletin Board which can be assessed through an electronic communication service, EnerNet Corporation. Electronic Bulletin Board service is available on a non-discriminatory basis to any party having compatible equipment, provided such party has entered into the appropriate agreement with EnerNet for the level of service desired.

Request for Transportation: Persons desiring transportation service must deliver a written properly executed Request for Transportation to PGPL at the following address:

Phillips Gas Pipeline Company Attn: Marketing Director P. O. Box 1967 Houston, TX 77251-1967

Hand delivery: 6330 West Loop South, Room 918 Bellaire, TX 77401

- 17.2 Minimum Contents of Request for Transportation:
 - (a) A request for Transportation shall contain the following information [see 18 C.F.R. 250.16(b)(2)];

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16.3 Waiver of Default: No waiver by Shipper or PGPL of any one or more defaults by the other in performance of the provisions of these General Terms and Conditions for Transportation Service and the Rate Schedules and Agreements to which these apply shall be construed as a waiver of any future default or defaults, whether of a like or a different character.

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- 17.2 Minimum Contents of Request for Transportation:
 - (a) A request for Transportation shall contain the following information [see 18 C.F.R. 250.16(b)(2)];

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- (1) Date of receipt of the request (to be left blank by the Potential Shipper and filled in by PGPL).
- (2) Date the request was accepted as valid (to be left blank by the Potential Shipper and filled in by PGPL).
- (3) The specific affiliation, if any, of the requester with PGPL and the extent of the PGPL's affiliation, if any with the person to be provided transportation service.
- (4) The extent of the supplier's affiliation with PGPL.
- (5) (A) The complete legal name of the Shipper making the request.
 - (B) The Shipper's designation (local distribution company, interstate pipeline, intrastate pipeline, end-user, producer or marketer).
- (6) Maximum contract volume of gas requested to be transported,
 - (A) Daily,
 - (B) Annually, and
 - (C) Over the life of the contract.
- (7) The producing area of the source of the gas to be transported. $\label{eq:transported} % \begin{array}{c} (2,1) & (2,1) \\ (3,1) & (3,1) \\ (4,1) & (4$

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- (2) Date the request was accepted as valid (to be left blank by the Potential Shipper and filled in by PGPL).
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- (5) (A) The complete legal name of the Shipper making the request.
 - (B) The Shipper's designation (local distribution company, interstate pipeline, intrastate pipeline, end-user, producer or marketer).
- (6) Maximum contract volume of gas requested to be transported,
 - (A) Daily,
 - (B) Annually, and
 - (C) Over the life of the contract.
- (7) The producing area of the source of the gas to be transported. $\label{eq:transported} % \begin{array}{c} (2,1) & (2,1) \\ (3,1) & (3,1) \\ (4,1) & (4$

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- (8) The date:
 - (A) service is requested to commence, and
 - (B) service is requested to terminate.
- (9) A list of all Points of Receipt into PGPL's pipeline and Points of Delivery out of PGPL's pipeline between which gas is requested to be transported and the distance in pipeline miles between the Point of Receipt and Point of Delivery that are the farthest apart.
- (10) Whether the service requested is firm or interruptible.
- (11) The location (state) of the ultimate end user of the gas.
- (12) The identity of the PGPL transportation rate schedules and transportation rates applicable for such service.
- (13) Whether any of the gas being transported is subject to take-or-pay relief for the transporting pipeline, and if so, how much. PGPL has never incurred any take-or-pay purchase liabilities and will not receive any take-or-pay relief from any shipper.

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- (8) The date:
 - (A) service is requested to commence, and
 - (B) service is requested to terminate.
- (9) A list of all Points of Receipt into PGPL's pipeline and Points of Delivery out of PGPL's pipeline between which gas is requested to be transported and the distance in pipeline miles between the Point of Receipt and Point of Delivery that are the farthest apart.
- (10) Whether the service requested is firm or interruptible.
- (11) The location (state) of the ultimate end user of the gas.
- (12) The identity of the PGPL transportation rate schedules and transportation rates applicable for such service.
- (13) Whether any of the gas being transported is subject to take-or-pay relief for the transporting pipeline, and if so, how much. PGPL has never incurred any take-or-pay purchase liabilities and will not receive any take-or-pay relief from any shipper.

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- (14) If a marketing affiliate of PGPL is involved, whether and by how much the cost of the gas to the affiliated marketer exceeds the price received for the sale of the gas by the affiliated marketer, after deducting associated costs, including those incurred for transportation; i. e., whether the gas is being sold at a loss.
- (15) Whether the transportation is being requested, at discounted rates, duration of the discount requested, the corporate affiliation, if any, between the Shipper and PGPL, and the quantity of gas scheduled at the discounted rate during the initial billing period for each Point of Delivery.
- (16) If a request is being made for a waiver of a tariff provision in providing the requested service, a statement of the specific waiver requested. PGPL will consider waivers only of those tariff provisions which include discretion in the application of the provision.
- (b) A request for transportation also shall contain:
 - (1) The type of service desired;
 - (2) For each proposed Point(s) of Receipt by PGPL from Shipper, the volume, Btu and composition (by chromatograph analysis) of gas for each such point;
 - (A) if more than one point, a total for all such points;

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- (14) If a marketing affiliate of PGPL is involved, whether and by how much the cost of the gas to the affiliated marketer exceeds the price received for the sale of the gas by the affiliated marketer, after deducting associated costs, including those incurred for transportation; i. e., whether the gas is being sold at a loss.
- (15) Whether the transportation is being requested, at discounted rates, duration of the discount requested, the corporate affiliation, if any, between the Shipper and PGPL, and the quantity of gas scheduled at the discounted rate during the initial billing period for each Point of Delivery.
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 - (1) The type of service desired;
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 - (A) if more than one point, a total for all such points;

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- (3) For each proposed Point(s) of Delivery from PGPL to Shipper, the Volume and Btu of gas for each such point;
 - (A) if more than one point, a total for all such points;
- (4) The name of the transporter(s) of the gas to the Point(s) of Receipt;
- (5) The name of the transporter(s) of the gas from the Point(s) of Delivery;
- (6) The name, title, mailing address, and telephone number of the person designated by Shipper for purpose of scheduling and nominations under Sections 12 herein;
- (7) The information, including mailing address of Shipper, necessary for billing under Section 6 herein.

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- (3) For each proposed Point(s) of Delivery from PGPL to Shipper, the Volume and Btu of gas for each such point;
 - (A) if more than one point, a total for all such points;
- (4) The name of the transporter(s) of the gas to the Point(s) of Receipt;
- (5) The name of the transporter(s) of the gas from the Point(s) of Delivery;
- (6) The name, title, mailing address, and telephone number of the person designated by Shipper for purpose of scheduling and nominations under Sections 12 herein;
- (7) The information, including mailing address of Shipper, necessary for billing under Section 6 herein.

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17.3 Credit Information: A Shipper who is not receiving service under any PGPL Service Agreement at the time its Request for Transportation is made shall provide credit information as specified below;

- (a) Most recent audited financial information, including the balance sheet and profit and loss statement for the entity requesting transportation, and
- (b) Supplier references, and
- (c) Bank references, or
- (d) A Letter of Credit drawn on a bank and in a format acceptable to PGPL, or
- (e) Agreement of Shipper to pay in advance in immediately available funds, by wire transfer, for three months of transportation service under the applicable rate schedule.

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- (e) Agreement of Shipper to pay in advance in immediately available funds, by wire transfer, for three months of transportation service under the applicable rate schedule.

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17.4 Subsequent Information: Shipper will provide such other information as is necessary or appropriate to facilitate transportation or to comply with regulatory reporting requirements.

- (a) Shippers, other than local distribution companies, interstate or intrastate pipelines using the gas being transported for their system supply requirements, shall upon execution of a Service Agreement provide PGPL with the identity of the end-user of the gas being transported.
- 17.5 Valid Requests for Transportation: A Request for Transportation shall not be deemed to have been received and accepted by PGPL until PGPL has received in writing the information required or requested under Sections 17.2 and 17.3, if applicable, herein. If PGPL requests additional information or assurances in accordance with this Section herein, and such information is provided within seven (7) days of such request, Shipper's Request for transportation will be deemed to have been received when the information set forth in Section 17.2 and 17.3 was received. Otherwise Shipper's Request for Transportation will be deemed to have been received when such additional information or assurances actually were received in writing by PGPL.

18. CONNECTION OF NEW AND ADDITIONAL SERVICE

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

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- 17.5 Valid Requests for Transportation: A Request for Transportation shall not be deemed to have been received and accepted by PGPL until PGPL has received in writing the information required or requested under Sections 17.2 and 17.3, if applicable, herein. If PGPL requests additional information or assurances in accordance with this Section herein, and such information is provided within seven (7) days of such request, Shipper's Request for transportation will be deemed to have been received when the information set forth in Section 17.2 and 17.3 was received. Otherwise Shipper's Request for Transportation will be deemed to have been received when such additional information or assurances actually were received in writing by PGPL.

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

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- (a) Requests for quantities of firm service will be first fulfilled, in sequence starting with the earliest date of request for such service; next, capacity will be pro-rated, as necessary, among requests for quantities of firm service having the same date of request provided that service being rendered under Section 7(c) authorization at the date that Order 436 type transactions commence shall have priority above such request.
- (b) Requests for interruptible service will be next fulfilled in sequence starting with earliest date of request for such service. Next, capacity will be pro-rated, as necessary, among requests for quantities of interruptible service having the same date of request.
- 18.2 Commencement of Service: When PGPL notifies
 Shipper of the availability hereunder, in whole or in
 part, of capacity for any requested quantity of service,
 Shipper promptly shall nominate and tender volumes to
 PGPL. If Shipper does not nominate and tender
 volumes to PGPL within forty-eight (48) hours of notice
 from PGPL, the capacity will be made available to the
 service next in the order stated in Section 18.1 herein.
 To the extent that capacity is not available for the
 requested quantity of service, in whole or in part, the
 requested quantity of service will remain eligible for the
 future availability of any further capacity under Section
 18.1 herein.

19. MISCELLANEOUS PROVISIONS

19.1 Assignability: A service agreement may not be assigned except in the event of a merger or consolidation, in which event, a service agreement shall bind and inure to

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- (b) Requests for interruptible service will be next fulfilled in sequence starting with earliest date of request for such service. Next, capacity will be pro-rated, as necessary, among requests for quantities of interruptible service having the same date of request.
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the respective successors and assigns of the parties thereto; however, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.

19.2 PGPL's Policy on Sales Laterals: PGPL shall not be required to build or contribute to the cost of building any sales lateral pipelines to resale customers.

Nothing in this policy statement shall require PGPL to file an application for a Certificate of Public Convenience and Necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent PGPL from contesting an application for service filed pursuant to Section 7(a). PGPL reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Commission instituted under Section 7 of the Natural Gas Act.

20. SERVICE AGREEMENT

- 20.1 Form: Shipper shall enter into a contract with PGPL under PGPL's appropriate standard form of service agreement.
- 20.2 Term: The term of the service agreement shall be agreed upon between Shipper and PGPL at the time of the execution thereof.

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21. CAPACITY RELEASE PROGRAM

- 21.1 Purpose: This Section 21 sets forth the specific terms and conditions applicable to the implementation by PGPL of a Capacity Release Program on its interstate pipeline system.
- 21.2 Definitions: For the purposes of this Section 21, the following definitions will apply to Capacity Releases.
 - (a) Releasing Shipper: A firm Shipper or Replacement Shipper under an executed Service Agreement subject to Part 284 of the Commission's regulations who intends to have PGPL post to the Electronic Bulletin Board ("EBB") all or any portion of its firm service to be released to a Replacement Shipper, or to a Prearranged Replacement Shipper through a prearranged capacity release transaction, or which has released its firm service.
 - (b) Replacement Shipper: A Shipper which has contracted for service with PGPL subject to Part 284 of the Commission's regulations to utilize a Releasing Shipper's released firm service for a specified period of time. Replacement Shippers must meet all of the terms and conditions of PGPL's tariff as required of any other Shipper.
 - (c) Potential Replacement Shipper: A Shipper which desires to acquire released firm capacity.
 - (d) Prearranged Replacement Shipper: A party who desires to contract directly for or who has contracted directly for capacity which is subject to Part 284 of the Commission's regulations and who has agreed to the terms of a capacity release transaction directly with a Releasing Shipper, which terms a Releasing Shipper posts to the EBB or provides to PGPL for posting to the EBB. Prearranged Replacement Shippers must meet all of the terms and conditions of PGPL's tariff as required of any other shipper.

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 - (b) Replacement Shipper: A Shipper which has contracted for service with PGPL subject to Part 284 of the Commission's regulations to utilize a Releasing Shipper's released firm service for a specified period of time. Replacement Shippers must meet all of the terms and conditions of PGPL's tariff as required of any other Shipper.
 - (c) Potential Replacement Shipper: A Shipper which desires to acquire released firm capacity.
 - (d) Prearranged Replacement Shipper: A party who desires to contract directly for or who has contracted directly for capacity which is subject to Part 284 of the Commission's regulations and who has agreed to the terms of a capacity release transaction directly with a Releasing Shipper, which terms a Releasing Shipper posts to the EBB or provides to PGPL for posting to the EBB. Prearranged Replacement Shippers must meet all of the terms and conditions of PGPL's tariff as required of any other shipper.

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- (e) The Economic Value of a bid shall be defined as the total net present value of the reservation charge bid for the release of transportation capacity. The net present value shall be computed from the monthly demand and capacity charge or reservation revenues to be received over the term of the release contract, using the discounted cash flow rate of return methodology, with the rate of discounting to be published on PGPL's EBB, as amended from time to time.
- 21.3 Applicability: This Section 21 is applicable to any Shipper who has a Service Agreement under Rate Schedule FT-1 contained in this First Revised Volume No. 1 Tariff and who elects to release, subject to the Capacity Release Program set forth herein, all or a portion of its transportation rights. Shipper shall have the right to release any portion of the firm herein rights held under a Service Agreement, but only to the extent that the capacity so released is acquired by a Potential Replacement Shipper pursuant to the provisions of this Section 21.

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

- 21.4 Notice Requirement: During any period in which Shipper wishes to release its firm capacity hereunder (Releasing Shipper), availability of such capacity will be noticed as follows:
 - (a) Releasing Shipper shall provide PGPL with the following information:
 - maximum quantity of firm daily capacity available,
 - (2) term of availability

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- (e) The Economic Value of a bid shall be defined as the total net present value of the reservation charge bid for the release of transportation capacity. The net present value shall be computed from the monthly demand and capacity charge or reservation revenues to be received over the term of the release contract, using the discounted cash flow rate of return methodology, with the rate of discounting to be published on PGPL's EBB, as amended from time to time.
- 21.3 Applicability: This Section 21 is applicable to any Shipper who has a Service Agreement under Rate Schedule FT-1 contained in this First Revised Volume No. 1 Tariff and who elects to release, subject to the Capacity Release Program set forth herein, all or a portion of its transportation rights. Shipper shall have the right to release any portion of the firm herein rights held under a Service Agreement, but only to the extent that the capacity so released is acquired by a Potential Replacement Shipper pursuant to the provisions of this Section 21.

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

- 21.4 Notice Requirement: During any period in which Shipper wishes to release its firm capacity hereunder (Releasing Shipper), availability of such capacity will be noticed as follows:
 - (a) Releasing Shipper shall provide PGPL with the following information:
 - maximum quantity of firm daily capacity available,
 - (2) term of availability

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- (3) primary receipt and delivery points,
- (4) rates.
- (5) whether the capacity will be firm or recallable,
- (6) the method under which capacity is to be allocated,
- (7) the method by which ties will be broken;
- (8) whether the Releasing Shipper will accept contingent bids and, if so, under what conditions contingent bids will be accepted;
- (9) any minimum conditions concerning the rate, term or volume that the Releasing Shipper is willing to accept, including whether bids based on a one-part, volumetric rate (applicable only to the reservation portion of the rate) will be accepted and, if so, a) the method for evaluating one-part rate bids visa-vis two-part rate bids, and b) any special conditions;
- (10) whether the Releasing Shipper is willing to accept contingent bids that extend beyond the open season, and the terms and conditions whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take the capacity;
- (11) the party to contact, and
- (12) any other special terms or conditions.

The maximum rate for volumetric releases, such as by converting the maximum reservation charge into a volumetric charge, shall be \$0.1766 per MMBtu.

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- (3) primary receipt and delivery points,
- (4) rates,
- (5) whether the capacity will be firm or recallable,
- (6) the method under which capacity is to be allocated,
- (7) the method by which ties will be broken;
- (8) any minimum conditions concerning the rate, term or volume that the Releasing Shipper is willing to accept;
- (9) whether the Releasing Shipper will accept contingent bids and, if so, under what conditions contingent bids will be accepted;
- (10) any minimum conditions concerning the rate, term or volume that the Releasing Shipper is willing to accept, including whether bids based on a one-part, volumetric rate (applicable only to the reservation portion of the rate) will be accepted and, if so, a) the method for evaluating one-part rate bids visavis two-part rate bids, and b) any special conditions;
- (11) whether the Releasing Shipper is willing to accept contingent bids that extend beyond the open season, and the terms and conditions whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take the capacity;
- (12) the party to contact, and
- (13) any other special terms or conditions.

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- (3) primary receipt and delivery points,
- (4) rates.
- (5) whether the capacity will be firm or recallable,
- (6) the method under which capacity is to be allocated,
- (7) the method by which ties will be broken;
- (8) whether the Releasing Shipper will accept contingent bids and, if so, under what conditions contingent bids will be accepted;
- (9) any minimum conditions concerning the rate, term or volume that the Releasing Shipper is willing to accept, including whether bids based on a one-part, volumetric rate (applicable only to the reservation portion of the rate) will be accepted and, if so, a) the method for evaluating one-part rate bids visa-vis two-part rate bids, and b) any special conditions;
- (10) whether the Releasing Shipper is willing to accept contingent bids that extend beyond the open season, and the terms and conditions whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take the capacity;
- (11) the party to contact, and
- (12) any other special terms or conditions.

The maximum rate for volumetric releases, such as by converting the maximum reservation charge into a volumetric charge, shall be \$0.1766 per MMBtu.

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(b) PGPL shall within one (1) business day, post notice of such Releasing Shipper's available capacity on its EBB. Such notice shall include all information delineated in Section 21.4(a), herein above. Additionally, PGPL shall include in the notice: (1) the maximum reservation rate (including any demand-type surcharges) applicable to the capacity being released; (2) the date and time the bid period ends; and (3) the date and time the notice is posted on the EBB. PGPL's EBB also provides for direct posting by: (i) a Releasing shipper desiring to release all or a portion of its available capacity; or (ii) a Potential Replacement Shipper. Bids may then be submitted to PGPL by Potential Replacement Shippers at any time during the open season described herein below, via PGPL's EBB. Should a Potential Replacement Shipper be unable or otherwise choose not to utilize the EBB, it may alternatively conduct any and all business delineated in this Section 21.4(b) by contacting D. C. Harban via telephone (713-669-2930), fax (713-669-3402) or as provided in Section 17.1 of the General Terms and Conditions contained within this Tariff. Regardless of the method a Potential Replacement Shipper chooses to notify PGPL, all bids, including those made by mail, telephone or fax will be promptly posted on the EBB. A Potential Replacement Shipper may not bid more than the maximum rate specified by this First Revised Volume No. 1 Tariff; nor may the volume or the terms of the release of such bid exceed the maximum volume or term specified by the Releasing Shipper. A Releasing Shipper may not rollover or extend a release of less than one (1) calendar month without first posting such extension on the EBB for competitive bidding. Also, the Releasing Shipper may not enter into a new shortterm release with the same Potential Replacement Shipper until at least thirty (30) days after the first release. The term of any open season

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(b) PGPL shall within one (1) business day, post notice of such Releasing Shipper's available capacity on its EBB. Such notice shall include all information delineated in Section 21.4(a), herein above. Additionally, PGPL shall include in the notice: (1) the maximum reservation rate (including any demand-type surcharges) applicable to the capacity being released; (2) the date and time the bid period ends; and (3) the date and time the notice is posted on the EBB. PGPL's EBB also provides for direct posting by: (i) a Releasing shipper desiring to release all or a portion of its available capacity; or (ii) a Potential Replacement Shipper. Bids may then be submitted to PGPL by Potential Replacement Shippers at any time during the open season described herein below, via PGPL's EBB. Should a Potential Replacement Shipper be unable or otherwise choose not to utilize the EBB, it may alternatively conduct any and all business delineated in this Section 21.4(b) by contacting D. C. Harban via telephone (713-669-2930), fax (713-669-3402) or as provided in Section 17.1 of the General Terms and Conditions contained within this Tariff. Regardless of the method a Potential Replacement Shipper chooses to notify PGPL, all bids, including those made by mail, telephone or fax will be promptly posted on the EBB. A Potential Replacement Shipper may not bid more than the maximum rate specified by this First Revised Volume No. 1 Tariff; nor may the volume or the terms of the release of such bid exceed the maximum volume or term specified by the Releasing Shipper. A Releasing Shipper may not rollover or extend a release of less than one (1) calendar month without first posting such extension on the EBB for competitive bidding. Also, the Releasing Shipper may not enter into a new shortterm release with the same Potential Replacement Shipper until at least thirty (30) days after the first release. The term of any open season

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to be held as a consequence of the posting by a Releasing Shipper of its election to release capacity in accordance with this Section 21.4 shall not be required for the following transactions: (i) a prearranged release that is for the maximum rates under this First Revised Volume No. 1 Tariff as in effect from time to time; (ii) a prearranged release, for a term of less than one (1) calendar month, unless requested by the Releasing Shipper; and (iii) a prearranged release that meets all other terms and conditions determined by the Releasing Shipper. Releasing Shippers may post prearranged deals to determine if another Potential Replacement Shipper would offer better terms and conditions. All other releases shall be subject to an open season requirement in accordance with the following criteria:

- (1) For capacity to be released for a term of not more than three (3) calendar months an open season of three (3) business days shall be held commencing at least seven (7) business days prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.6, PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall then have two (2) business days after posting the best bid to match such higher bid.
- (2) For capacity to be released for a term of more than three (3) calendar months but not more than two (2) years, an open season of two (2) weeks shall be held commencing at least six (6) weeks prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.6 PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall have ten (10) business days after posting the best bid to match such higher bid.

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to be held as a consequence of the posting by a Releasing Shipper of its election to release capacity in accordance with this Section 21.4 shall not be required for the following transactions: (i) a prearranged release that is for the maximum rates under this First Revised Volume No. 1 Tariff as in effect from time to time; (ii) a prearranged release, for a term of less than one (1) calendar month, unless requested by the Releasing Shipper; and (iii) a prearranged release that meets all other terms and conditions determined by the Releasing Shipper. Releasing Shippers may post prearranged deals to determine if another Potential Replacement Shipper would offer better terms and conditions. All other releases shall be subject to an open season requirement in accordance with the following criteria:

- (1) For capacity to be released for a term of not more than three (3) calendar months an open season of three (3) business days shall be held commencing at least seven (7) business days prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.6, PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall then have two (2) business days after posting the best bid to match such higher bid.
- (2) For capacity to be released for a term of more than three (3) calendar months but not more than two (2) years, an open season of two (2) weeks shall be held commencing at least six (6) weeks prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.6 PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall have ten (10) business days after posting the best bid to match such higher bid.

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- (3) For capacity to be released for a term of more than two (2) years an open season of four (4) weeks shall be held commencing at least eight (8) weeks prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.5, PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall have twenty (20) business days after posting the best bid to match such higher bid.
- (c) Withdrawal of Releases: A Releasing Shipper may, during the applicable bid submittal period, withdraw its offer to release capacity, provided such withdrawal is not the result of dissatisfaction with the bids received.
- 21.5 Open Bids/Withdrawal of Bids/Contingent Bids
 - (a) Open Bids The bidding process shall be open.
 - (1) During the open season and bid submittal periods, PGPL will post all valid bids, listing all pertinent terms and conditions of the valid bids without posting bidders' names.
 - (2) A bidder may not have more than one bid submitted for a given package of released capacity at the same time, except that it may withdraw a bid as specified below.
 - (b) Withdrawal of Bids
 - (1) A bidder may withdraw a bid for the released capacity up to: (i) the close of the open season or bid submittal period or (ii) the time that capacity is allocated, whichever first occurs.
 - (2) Once a bidder has withdrawn its bid, the bidder may only submit a new bid for that released capacity at a higher rate.

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(3) For capacity to be released for a term of more than two (2) years an open season of four (4) weeks shall be held commencing at least eight (8) weeks prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.5, PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall have twenty (20) business days after posting the best bid to match such higher bid.

21.5 Open Bids/Withdrawal of Bids/Contingent Bids

- (a) Open Bids The bidding process shall be open.
 - (1) During the open season and bid submittal periods, PGPL will post all valid bids, listing all pertinent terms and conditions of the valid bids without posting bidders' names.
 - (2) A bidder may not have more than one bid submitted for a given package of released capacity at the same time, except that it may withdraw a bid as specified below.
- (b) Withdrawal of Bids
 - (1) A bidder may withdraw a bid for the released capacity up to: (i) the close of the open season or bid submittal period or (ii) the time that capacity is allocated, whichever first occurs.
 - (2) Once a bidder has withdrawn its bid, the bidder may only submit a new bid for that released capacity at a higher rate.

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- (3) For capacity to be released for a term of more than two (2) years an open season of four (4) weeks shall be held commencing at least eight (8) weeks prior to the effective date of the release. If the released capacity was subject to a prearrangement and the open season results in a higher bid as determined under Section 21.5, PGPL shall notify the Prearranged Replacement Shipper via telephone of such higher bid and said Prearranged Replacement Shipper shall have twenty (20) business days after posting the best bid to match such higher bid.
- (c) Withdrawal of Releases: A Releasing Shipper may, during the applicable bid submittal period, withdraw its offer to release capacity, provided such withdrawal is not the result of dissatisfaction with the bids received.
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 - (1) During the open season and bid submittal periods, PGPL will post all valid bids, listing all pertinent terms and conditions of the valid bids without posting bidders' names.
 - (2) A bidder may not have more than one bid submitted for a given package of released capacity at the same time, except that it may withdraw a bid as specified below.
 - (b) Withdrawal of Bids
 - (1) A bidder may withdraw a bid for the released capacity up to: (i) the close of the open season or bid submittal period or (ii) the time that capacity is allocated, whichever first occurs.
 - (2) Once a bidder has withdrawn its bid, the bidder may only submit a new bid for that released capacity at a higher rate.

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- 21.6 Awarding of Released Capacity:
 - (a) All capacity available for release shall be allocated based upon one of the following methods, as determined by Shipper.
 - (1) Highest Present Value: Capacity shall be allocated based upon the highest present value of the rate per unit bid, in accordance with the following formula:

(R per unit) x 1 - (1 + i) = present value per unit

Where: i = interest rate per month using the current Commission interest rate as defined in 18 C.F.R. Section 154.67(c)(2)(ii)(A),

N = term of the agreement in months, and

R = the rate bid on a monthly
 basis (the reservation fee, if
 a two-part rate, and the
 commodity rate, if a one part rate).

In the event that bids of equal value exceed available capacity, the capacity shall be allocated by means of any non-discriminatory objective standard designated by the Releasing Shipper and included in its terms and conditions for the release. If Releasing Shipper makes no such designation, then the capacity shall be allocated by means of a lottery, with all capacity being allocated to the winner(s). The lottery will be conducted by PGPL on a non-discriminatory basis and on one business day's notice to the affected parties, who will have the right to attend.

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- 21.6 Awarding of Released Capacity:
 - (a) All capacity available for release shall be allocated based upon one of the following methods, as determined by Shipper.
 - (1) Highest Present Value: Capacity shall be allocated based upon the highest present value of the rate per unit bid, in accordance with the following formula:

(R per unit) x 1 - (1 + i) = present value per unit

Where: i = interest rate per month using the current Commission interest rate as defined in 18 C.F.R. Section 154.67(c)(2)(ii)(A),

N = term of the agreement in months, and

R = the rate bid on a monthly basis (the reservation fee, if a two-part rate, and the commodity rate, if a one-part rate).

In the event that bids of equal value exceed available capacity, the capacity shall be allocated by means of any non-discriminatory objective standard designated by the Releasing Shipper and included in its terms and conditions for the release. If Releasing Shipper makes no such designation, then the capacity shall be allocated by means of a lottery, with all capacity being allocated to the winner(s). The lottery will be conducted by PGPL on a non-discriminatory basis and on one business day's notice to the affected parties, who will have the right to attend.

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- (2) Shipper Solicited Release: Capacity shall be allocated in accordance with an agreement negotiated between a Releasing Shipper and a Prearranged Replacement Shipper. The Prearranged Replacement Shipper should provide PGPL with the terms of its agreement with the Releasing Shipper.
- (3) Other Methods: Available capacity may be allocated on the basis of other objective and non-discriminatory economic standards which may be provided by the Shipper and posted on the EBB.

Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth herein must adhere to all terms and provisions of this PGPL FERC Gas Tariff, First Revised Volume No.

(b) A Replacement Shipper or Prearranged Replacement Shipper must comply with Section 17.3 of the General Terms and Conditions of this Tariff. Such Shipper may submit a request for prequalification for credit as a Shipper to PGPL in order to expedite implementation of capacity release service. For short-term releases (those for a time period of less than one (1) year), a Replacement Shipper or Prearranged Replacement Shipper may not submit a bid, the economic value of which exceeds that Shipper's established credit limit. For long-term releases (those for a time period of one (1) year of longer), if a Replacement Shipper or a Prearranged Replacement Shipper submits a bid, the economic value of which exceeds that Shipper's established credit limit, that Shipper must assure PGPL of its ability to pay for the service in excess of the established credit limit within one (1) day after notification that Shipper's bid will be acceptable contingent upon Shipper's demonstration of its ability to pay to PGPL's satisfaction. Subject to a Prearranged Replacement Shipper's right of first refusal, capacity shall be allocated to the Potential Replacement Shipper

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(2) Shipper Solicited Release: Capacity shall be allocated in accordance with an agreement negotiated between a Releasing Shipper and a Prearranged Replacement Shipper. The Prearranged Replacement Shipper should provide PGPL with the terms of its agreement with the Releasing Shipper.

(3) Other Methods: Available capacity may be allocated on the basis of other objective and non-discriminatory economic standards which may be provided by the Shipper and posted on the EBB.

Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth herein must adhere to all terms and provisions of this PGPL FERC Gas Tariff, First Revised Volume No. 1.

(b) A Replacement Shipper or Prearranged Replacement Shipper must comply with Section 17.3 of the General Terms and Conditions of this Tariff. Such Shipper may submit a request for prequalification for credit as a Shipper to PGPL in order to expedite implementation of capacity release service. For short-term releases (those for a time period of less than one (1) year), a Replacement Shipper or Prearranged Replacement Shipper may not submit a bid, the economic value of which exceeds that Shipper's established credit limit. For long-term releases (those for a time period of one (1) year of longer), if a Replacement Shipper or a Prearranged Replacement Shipper submits a bid, the economic value of which exceeds that Shipper's established credit limit, that Shipper must assure PGPL of its ability to pay for the service in excess of the established credit limit within one (1) day after notification that Shipper's bid will be acceptable contingent upon Shipper's demonstration of its ability to pay to PGPL's satisfaction. Subject to a Prearranged Replacement Shipper's right of first refusal, capacity shall be allocated to the Potential Replacement Shipper

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submitting the best bid, as determined by PGPL, based upon the applicable criteria. Invalid bids will be rejected.

- (c) When capacity is released under the allocation method specified in Section 21.6(a)(1) above, PGPL shall post the winning bid on the EBB within two (2) business days of the close of the applicable open season set forth in Section 21.4(b). When capacity is released under the allocation methods specified in either Section 21.6 (a)(2) or (a)(3) above, the terms of the proposed transaction shall be posted on PGPL's EBB, and PGPL will post the winning bid on the EBB within two (2) business days. Any Potential Replacement Shipper who submits the winning bid for the posted released capacity shall be obligated to execute a firm Service Agreement for such posted capacity at its bid price. All other terms and conditions of said Service Agreement must be identical to the Releasing Shipper's commitment. Such firm Service Agreement must be executed by the Potential Replacement Shipper no later than two (2) weeks after the winner is posted on the EBB. The Potential Replacement Shipper may execute said Agreement as soon as notification of the winning bid is made in order to commence service on the proposed release date, as determined by the Releasing Shipper.
- (d) Within forty-eight (48) hours of the determination of the winning bidder, PGPL shall post the following information regarding the transaction on its EBB: (i) the identity of the winning bidder; (ii) term; (iii) the winning bid price and any other price(s); (iv) primary receipt and delivery points; (v) volume in Mcf; (vi) whether capacity is firm or recallable; and (vii) whether the assignee is an affiliate of either PGPL or the releasing Shipper.

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submitting the best bid, as determined by PGPL, based upon the applicable criteria. Invalid bids will be rejected.

- (c) When capacity is released under the allocation method specified in Section 21.6(a)(1) above, PGPL shall post the winning bid on the EBB within two (2) business days of the close of the applicable open season set forth in Section 21.4(b). When capacity is released under the allocation methods specified in either Section 21.6 (a)(2) or (a)(3) above, the terms of the proposed transaction shall be posted on PGPL's EBB, and PGPL will post the winning bid on the EBB within two (2) business days. Any Potential Replacement Shipper who submits the winning bid for the posted released capacity shall be obligated to execute a firm Service Agreement for such posted capacity at its bid price. All other terms and conditions of said Service Agreement must be identical to the Releasing Shipper's commitment. Such firm Service Agreement must be executed by the Potential Replacement Shipper no later than two (2) weeks after the winner is posted on the EBB. The Potential Replacement Shipper may execute said Agreement as soon as notification of the winning bid is made in order to commence service on the proposed release date, as determined by the Releasing Shipper.
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(e) PGPL shall have no obligation to market any capacity available to be released by Shipper. However, when a Releasing Shipper requests that PGPL actively market the capacity to be released, said Shipper and PGPL shall negotiate the terms of the marketing service to be provided by PGPL and the marketing fee to be charged therefor. The Releasing Shipper shall pay to PGPL said negotiated marketing fee plus the difference between PGPL's applicable rates under the Releasing Shipper's Service Agreement and the negotiated rates billed to the Replacement Shipper or Prearranged Replacement Shipper. The Releasing Shipper shall then remain liable to PGPL only for fees related to reservation charges and other fixed costs attributable to the released quantity.

In the event that the Replacement Shipper's or Prearranged Replacement Shipper's as-billed rate exceeds the Releasing Shipper's applicable rate, the difference shall be simultaneously credited by PGPL to the Releasing Shipper's account with PGPL. The Releasing Shipper will remain liable only for its applicable reservation fee, and the bill to the Releasing Shipper will reflect a simultaneous credit to the Releasing Shipper for the reservation fee billed to the Replacement Shipper. Any amounts credited shall be limited to reservation charge revenues received from the Replacement Shipper pursuant to its Service Agreement with PGPL.

(f) PGPL shall directly bill the Replacement Shipper or Prearranged Replacement Shipper the amount stipulated in the winning bid submitted by said Replacement Shipper or Prearranged Replacement Shipper for such released capacity. The Replacement Shipper or Prearranged Replacement Shipper shall pay such amounts directly to PGPL in accordance with the requirements of the applicable Rate Schedule. Releasing Shipper is liable for any and all shortfalls in payments by all Replacement Shippers or Prearranged Replacement Shippers.

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In the event that the Replacement Shipper's or Prearranged Replacement Shipper's as-billed rate exceeds the Releasing Shipper's applicable rate, the difference shall be credited by PGPL to the Releasing Shipper's account with PGPL. Any amounts credited shall be limited to reservation charge revenues received from the Replacement Shipper or Prearranged Replacement Shipper pursuant to its Service Agreement with PGPL.

(f) PGPL shall directly bill the Replacement Shipper or Prearranged Replacement Shipper the amount stipulated in the winning bid submitted by said Replacement Shipper or Prearranged Replacement Shipper for such released capacity. The Replacement Shipper or Prearranged Replacement Shipper shall pay such amounts directly to PGPL in accordance with the requirements of the applicable Rate Schedule. Releasing Shipper is liable for any and all shortfalls in payments by all Replacement Shippers or Prearranged Replacement Shippers. This includes all amounts billed to such Replacement Shipper or Prearranged Replacement Shipper under the applicable Rate Schedule. Releasing Shipper shall not be responsible for penalties or other charges incurred by the Replacement Shipper.

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(e) PGPL shall have no obligation to market any capacity available to be released by Shipper. However, when a Releasing Shipper requests that PGPL actively market the capacity to be released, said Shipper and PGPL shall negotiate the terms of the marketing service to be provided by PGPL and the marketing fee to be charged therefor. The Releasing Shipper shall pay to PGPL said negotiated marketing fee plus the difference between PGPL's applicable rates under the Releasing Shipper's Service Agreement and the negotiated rates billed to the Replacement Shipper or Prearranged Replacement Shipper. The Releasing Shipper shall then remain liable to PGPL only for fees related to reservation charges and other fixed costs attributable to the released quantity.

In the event that the Replacement Shipper's or Prearranged Replacement Shipper's as-billed rate exceeds the Releasing Shipper's applicable rate, the difference shall be simultaneously credited by PGPL to the Releasing Shipper's account with PGPL. The Releasing Shipper will remain liable only for its applicable reservation fee, and the bill to the Releasing Shipper will reflect a simultaneous credit to the Releasing Shipper for the reservation fee billed to the Replacement Shipper. Any amounts credited shall be limited to reservation charge revenues received from the Replacement Shipper pursuant to its Service Agreement with PGPL.

(f) PGPL shall directly bill the Replacement Shipper or Prearranged Replacement Shipper the amount stipulated in the winning bid submitted by said Replacement Shipper or Prearranged Replacement Shipper for such released capacity. The Replacement Shipper or Prearranged Replacement Shipper shall pay such amounts directly to PGPL in accordance with the requirements of the applicable Rate Schedule. Releasing Shipper is liable for any and all shortfalls in payments by all Replacement Shippers or Prearranged Replacement Shippers.

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This includes all amounts billed to such Replacement Shipper or Prearranged Replacement Shipper under the applicable Rate Schedule. Releasing Shipper shall not be responsible for penalties or other charges incurred by the Replacement Shipper.

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Original Sheet No. 65A Original Sheet No. 65A: Effective

This includes all amounts billed to such Replacement Shipper or Prearranged Replacement Shipper under the applicable Rate Schedule. Releasing Shipper shall not be responsible for penalties or other charges incurred by the Replacement Shipper.

FERC Docket: RS92- 47-001

Original Sheet No. 66 Original Sheet No. 66: Superseded

Should there be a permanent release of all of Releasing Shipper's available capacity, said Releasing Shipper shall no longer be liable under the terms of its contract with PGPL. Replacement Shipper shall be liable under the terms of Releasing Shipper's contract with PGPL to the extent of the percentage of Releasing Shipper's capacity it acquired. Releasing Shipper shall not be responsible for penalties or other charges incurred by the Replacement Shipper, regardless of whether or not the release is permanent.

21.7 Tariff Compliance: Any Potential Replacement Shipper agrees that it will comply with the terms and conditions of PGPL's certificate of public convenience and necessity authorizing this Capacity Release Program and all applicable Commission orders and regulations including Part 284 thereof. Such Potential Replacement Shipper agrees to be responsible to PGPL for compliance with all terms and conditions of PGPL's FERC Gas Tariff, First Revised Volume No. 1.

22. ELECTRONIC BULLETIN BOARD

- 22.1 Access: PGPL's Electronic Bulletin Board ("EBB") is accessed through an electronic communications service, EnerNet Corporation. EBB is available on a non-discriminatory basis to any party that has compatible equipment provided that such party has entered into the appropriate agreement with EnerNet for the level of service desired. Should any party be unable or otherwise choose not to utilize the EBB, it may alternatively conduct any and all business delineated in this Section 22 by contacting D. C. Harban via telephone (713-669-2930), fax (713-669-3402) or as provided for in Section 17.1 of the General Terms and Conditions contained within this Tariff.
- 22.2 Service: PGPL's EBB shall provide such data as described
 in and shall be in compliance with FERC Order No. 636
 by providing:

FERC Docket: RS92- 47-003

Original Sheet No. 66 original Sheet No. 66: Effective

Should there be a permanent release of all of Releasing Shipper's available capacity, said Releasing Shipper shall no longer be liable under the terms of its contract with PGPL. Replacement Shipper shall be liable under the terms of Releasing Shipper's contract with PGPL to the extent of the percentage of Releasing Shipper's capacity it acquired. Releasing Shipper shall not be responsible for penalties or other charges incurred by the Replacement Shipper, regardless of whether or not the release is permanent.

21.7 Tariff Compliance: Any Potential Replacement Shipper agrees that it will comply with the terms and conditions of PGPL's certificate of public convenience and necessity authorizing this Capacity Release Program and all applicable Commission orders and regulations including Part 284 thereof. Such Potential Replacement Shipper agrees to be responsible to PGPL for compliance with all terms and conditions of PGPL's FERC Gas Tariff, First Revised Volume No. 1.

22. ELECTRONIC BULLETIN BOARD

- 22.1 Access: PGPL's Electronic Bulletin Board ("EBB") is accessed through an electronic communications service, EnerNet Corporation, 13111 Northwest Freeway, Suite 220, Houston, Texas 77040. EBB is available on a non-discriminatory basis to any party that has compatible equipment provided that such party has entered into the appropriate agreement with EnerNet for the level of service desired. Should any party be unable or otherwise choose not to utilize the EBB, it may alternatively conduct any and all business delineated in this Section 22 by contacting J. T. Webster via telephone (713-669-2930), fax (713-669-3402) or as provided for in Section 17.1 of the General Terms and Conditions contained within this Tariff.
- 22.2 Service: PGPL's EBB shall provide such data as described in and shall be in compliance with FERC Order No. 636 by providing:

FERC Docket: RS92- 47-002

Original Sheet No. 67 Original Sheet No. 67: Superseded

- (a) a means to advertise for: (i) a Releasing Shipper desiring to release all or a portion of its firm transportation rights; or (ii) a Potential Replacement Shipper desiring to purchase such transportation rights in accordance with Section 21.3 and 21.4 of PGPL's First Revised Volume No. 1 Tariff;
- (b) a means for posting results of prearranged deals for capacity releases of less than one (1) calendar month. Said results shall be posted on the EBB within forty-eight (48) hours after the transaction commences:
- (c) a means for a party to post notice of its desire to purchase capacity should such become available;
- (d) a means for posting Order 497 compliance information as reported on Form 492;
- (e) a periodic purging of information on completed transactions from current files; and
- (f) the display of most recent entries ahead of information posted earlier.
- 22.3 Bid Submission: Parties wishing to bid on released capacity shall post their bids through the EBB. Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth in Section 21 hereof, must adhere to all terms and provisions of this PGPL FERC Gas Tariff, First Revised Volume No. 1.
- 22.4 Information: The EBB shall contain information concerning the availability of capacity:
 - (a) at receipt points;
 - (b) on the mainline;
 - (c) at delivery points; and
 - (d) whether the capacity is available from PGPL directly or through PGPL's Capacity Release Program set forth in Section 21.

FERC Docket: RS92- 47-002

Original Sheet No. 67 Original Sheet No. 67: Superseded

- (a) a means to advertise for: (i) a Releasing Shipper desiring to release all or a portion of its firm transportation rights; or (ii) a Potential Replacement Shipper desiring to purchase such transportation rights in accordance with Section 21.3 and 21.4 of PGPL's First Revised Volume No. 1 Tariff;
- (b) a means for posting results of prearranged deals for capacity releases of less than thirty (30) days. Said results shall be posted on the EBB within fortyeight (48) hours after the transaction commences;
- (c) a means for a party to post notice of its desire to purchase capacity should such become available;
- (d) a means for posting Order 497 compliance information as reported on Form 492;
- (e) a periodic purging of information on completed transactions from current files; and
- (f) the display of most recent entries ahead of information posted earlier.
- 22.3 Bid Submission: Parties wishing to bid on released capacity shall post their bids through the EBB. Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth in Section 21 hereof, must adhere to all terms and provisions of this PGPL FERC Gas Tariff, First Revised Volume No. 1.
 - 22.4 Information: The EBB shall contain information concerning the availability of capacity:
 - (a) at receipt points;
 - (b) on the mainline;
 - (c) at delivery points; and
 - (d) whether the capacity is available from PGPL directly or through PGPL's Capacity Release Program set forth in Section 21.

FERC Docket: RS92- 47-003

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

- (a) a means to advertise for: (i) a Releasing Shipper desiring to release all or a portion of its firm transportation rights; or (ii) a Potential Replacement Shipper desiring to purchase such transportation rights in accordance with Section 21.3 and 21.4 of PGPL's First Revised Volume No. 1 Tariff;
- (b) a means for posting results of prearranged deals for capacity releases of less than one (1) calendar month. Said results shall be posted on the EBB within forty-eight (48) hours after the transaction commences:
- (c) a means for a party to post notice of its desire to purchase capacity should such become available;
- (d) a means for posting Order 497 compliance information as reported on Form 492;
- (e) a periodic purging of information on completed transactions from current files; and
- (f) the display of most recent entries ahead of information posted earlier.
- 22.3 Bid Submission: Parties wishing to bid on released capacity shall post their bids through the EBB. Any third party, assignee, Replacement Shipper or other party who acquires released capacity pursuant to the Capacity Release Program set forth in Section 21 hereof, must adhere to all terms and provisions of this PGPL FERC Gas Tariff, First Revised Volume No. 1.
- 22.4 Information: The EBB shall contain information concerning the availability of capacity:
 - (a) at receipt points;
 - (b) on the mainline;
 - (c) at delivery points; and
 - (d) whether the capacity is available from PGPL directly or through PGPL's Capacity Release Program set forth in Section 21.

FERC Docket: RS92- 47-001

Original Sheet No. 68 Original Sheet No. 68: Superseded

The foregoing information in this Section 22.4 is intended to be in addition to all other information provided for under various other sections within this Tariff; e.g., Sections 21.4(a), 21.6(c) and (d), 22.2 and 22.3.

22.5 Archives: PGPL's EBB shall be fully operational no later than the effective date of the tariff sheets implementing PGPL's Capacity Release Program set forth in Section 21 hereof. Archived information shall consist of daily backup records of all information displayed on the EBB. EBB users shall have access to all information specifically identified in Section 22.4 hereof and PGPL/EnerNet shall retain backup records for such information for three (3) years which shall be archived and reasonably accessible.

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

Fees: EnerNet's EBB fees are generally in line with user fees currently charged by other EBB service providers. As previously stated herein, access to PGPL's EBB is nondiscriminatory and available to any party upon execution of an EnerNet Subscription Form; copies of the EnerNet Subscription Form are available on request. EnerNet reserves the right to make minor changes to the Subscription Form from time to time.

Summary of rates, terms and conditions for read-only access:

Initial Setup Fee: \$ 25.00 License Fee: \$ 25.00/month On-Line Connect Fee \$ 1.00/minute

Subscription Term: Month-to-month, evergreen

FERC Docket: RS92- 47-003

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

The foregoing information in this Section 22.4 is intended to be in addition to all other information provided for under various other sections within this Tariff; e.g., Sections 21.4(a), 21.6(c) and (d), 22.2 and 22.3.

22.5 Archives: PGPL's EBB shall be fully operational no later than the effective date of the tariff sheets implementing PGPL's Capacity Release Program set forth in Section 21 hereof. Archived information shall consist of daily backup records of all information displayed on the EBB. EBB users shall have access to all information specifically identified in Section 22.4 hereof and PGPL/EnerNet shall retain backup records for such information for three (3) years which shall be archived and reasonably accessible.

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

Fees: EnerNet's EBB fees are generally in line with user fees currently charged by other EBB service providers. As previously stated herein, access to PGPL's EBB is nondiscriminatory and available to any party upon execution of an EnerNet Subscription Form; copies of the EnerNet Subscription Form are available on request. EnerNet reserves the right to make minor changes to the Subscription Form from time to time.

Summary of rates, terms and conditions for read-only access:

Initial Setup Fee: \$ 25.00 License Fee: \$ 25.00/month On-Line Connect Fee \$ 1.00/minute

Subscription Term: Month-to-month, evergreen

FERC Docket: RS92- 47-001

Original Sheet No. 68A Original Sheet No. 68A: Superseded

Additional charges for electronic capacity release and bidding:

Initial Setup Fee: \$ 25.00 License Fee: \$ 25.00/month

Subscribers who will submit bids or post capacity release notices electronically must execute EnerNet's 636 DX

Telecommunications equipment and software to be supplied by user:

Modem: 1200 baud or higher

Hayes or Hayes-compatible

Software: Any standard asynchronous

telecommunications

software

(including ProComm Plus, CrossTalk, and SmartCom)

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

Summary of rates:

Retrieval Fee:

\$ 10.00 per day \$ 10.00 per megabyte or Media Fee: fraction thereof \$ 25.00 per request Handling Fee:

FERC Docket: RS92- 47-003

Original Sheet No. 68A Original Sheet No. 68A: Effective

Additional charges for electronic capacity release and bidding:

Initial Setup Fee: \$ 25.00 License Fee: \$ 25.00/month

Subscribers who will submit bids or post capacity release notices electronically must execute EnerNet's 636 DX

Telecommunications equipment and software to be supplied by user:

Modem: 1200 baud or higher

Hayes or Hayes-compatible

Software: Any standard asynchronous

telecommunications

software

(including ProComm Plus, CrossTalk, and SmartCom)

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

Summary of rates:

Retrieval Fee:

\$ 10.00 per day \$ 10.00 per megabyte or Media Fee: fraction thereof \$ 25.00 per request Handling Fee:

FERC Docket: RS92- 47-001 Original Sheet No. 69 Original Sheet No. 69: Superseded FORM OF SERVICE AGREEMENT RATE SCHEDULE FT-1 CONTRACT NO. ______, 19_____, by and between: THIS AGREEMENT is made and entered into as of the Phillips Gas Pipeline Company, (hereinafter called "PGPL"), a Delaware Corporation, and (hereinafter called "Shipper"), WHEREAS, PGPL is an interstate pipeline company, and gas transported hereunder for Shipper will be delivered to Phillips Texas Border Pipeline Company ("PTBPL"), a Hinshaw pipeline and "local distribution company" as defined in the Natural Gas Policy Act of 1978 ("NGPA") eligible to receive transportation services under Section 311 of the NGPA; WHEREAS, Shipper desires to receive firm transportation service from PGPL and PGPL desires to provide such transportation at conditions which are subject to PGPL's Rate Schedule FT-1; NOW THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties agree as follows: ARTICLE 1 - TRANSPORTATION PGPL agrees to receive at the Point(s) of Receipt and redeliver at the Point(s) of Redelivery, on a firm basis, quantities of natural gas up to 1.1 the following daily quantities, which shall constitute the Firm Transportation Quantity: (MMBtu/day). Shipper's Annual Quantity Entitlement shall be limited to MMBtu.

Effective Date: // Status: Effective

FERC Docket: RS92- 47-003 Original Sheet No. 69 Original Sheet No. 69: Effective FORM OF SERVICE AGREEMENT RATE SCHEDULE FT-1 CONTRACT NO. ______, 19_____, by and between: THIS AGREEMENT is made and entered into as of the Phillips Gas Pipeline Company, (hereinafter called "PGPL"), a Delaware Corporation, and (hereinafter called "Shipper"), WHEREAS, PGPL is an interstate pipeline company, and gas transported hereunder for Shipper will be delivered to Phillips Texas Border Pipeline Company ("PTBPL"), a Hinshaw pipeline and "local distribution company" as defined in the Natural Gas Policy Act of 1978 ("NGPA") eligible to receive transportation services under Section 311 of the NGPA; WHEREAS, Shipper desires to receive firm transportation service from PGPL and PGPL desires to provide such transportation at conditions which are subject to PGPL's Rate Schedule FT-1; NOW THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties agree as follows: ARTICLE 1 - TRANSPORTATION PGPL agrees to receive at the Point(s) of Receipt and redeliver at the Point(s) of Redelivery, on a firm basis, quantities of natural gas up to 1.1 the following daily quantities, which shall constitute the Firm Transportation Quantity: (MMBtu/day).

Shipper's Annual Quantity Entitlement shall be limited to

MMBtu.

Effective Date: 06/01/1993 Status: Effective

FERC Docket: RS92- 47-001

Original Sheet No. 70 original Sheet No. 70: Superseded

1.2 The Firm Transportation Quantity stated above shall be subject to reduction by PGPL from time to time pursuant to the then effective provisions of Rate Schedule FT-1.

1.3 Exhibit A attached hereto and incorporated by reference herein states the Point(s) of Receipt and Redelivery. Exhibit A may be amended only by written agreement between the parties.

ARTICLE 2 - TERM

- 2.1 This Agreement shall be effective from the date first stated above and shall remain effective through a primary term of and thereafter shall continue in effect until terminated by PGPL or Shipper upon at least thirty (30) days prior notice to the other.
- 2.2 Notwithstanding the prior provisions of this Article 2, PGPL shall have the right to terminate service hereunder (1) if 18 C.F.R., Part 284 Subpart B of the Regulations of the Federal Energy Regulatory Commission or successor agency (Commission) effective on the date first stated above, is stayed, modified or overturned by an appellate court or by the Commission, (2) if PGPL terminates self-implementing transportation pursuant to Section 311 of the Natural Gas Policy Act of 1978 on a general, non-discriminatory basis, or (3) pursuant to any effective provisions for termination of this Agreement by PGPL as stated in Rate Schedule FT-1 or the General Terms and Conditions for Transportation Service.

ARTICLE 3 - RATES AND CHARGES

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

FERC Docket: RS92- 47-003

Original Sheet No. 70 original Sheet No. 70: Effective

1.2 The Firm Transportation Quantity stated above shall be subject to reduction by PGPL from time to time pursuant to the then effective provisions of Rate Schedule FT-1.

1.3 Exhibit A attached hereto and incorporated by reference herein states the Point(s) of Receipt and Redelivery. Exhibit A may be amended only by written agreement between the parties.

ARTICLE 2 - TERM

- 2.1 This Agreement shall be effective from the date first stated above and shall remain effective through a primary term of and thereafter shall continue in effect until terminated by PGPL or Shipper upon at least thirty (30) days prior notice to the other.
- 2.2 Notwithstanding the prior provisions of this Article 2, PGPL shall have the right to terminate service hereunder (1) if 18 C.F.R., Part 284 Subpart B of the Regulations of the Federal Energy Regulatory Commission or successor agency (Commission) effective on the date first stated above, is stayed, modified or overturned by an appellate court or by the Commission, (2) if PGPL terminates self-implementing transportation pursuant to Section 311 of the Natural Gas Policy Act of 1978 on a general, non-discriminatory basis, or (3) pursuant to any effective provisions for termination of this Agreement by PGPL as stated in Rate Schedule FT-1 or the General Terms and Conditions for Transportation Service.

ARTICLE 3 - RATES AND CHARGES

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

FERC Docket: RS92- 47-001

Original Sheet No. 71 Original Sheet No. 71: Superseded

- 3.2 From time to time, PGPL and Shipper may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the effective applicable provisions of Rate Schedule FT-1 and subject to the Regulations and Orders of the Commission. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between PGPL and Shipper.
- 3.3 Notwithstanding the provisions of Sections 3.1 and 3.2 above, for the services provided or contracted for hereunder, PGPL and Shipper may agree on a level of discount of the otherwise applicable rates and charges pursuant to the effective applicable provisions of Rate Schedule FT-1 and subject to the Regulations and Orders of the Commission. Shipper agrees to pay in addition to any discounted rates established hereunder all applicable charges under PGPL's FT-1 tariff other than those base rates established under paragraphs 3.1 and 3.2 of the tariff of their successors.

ARTICLE 4 - GENERAL TERMS AND CONDITIONS

4.1 This Agreement and all terms for service hereunder are subject to the further provisions of the General Terms and Conditions for Transportation Service in First Revised Volume No. 1 of PGPL's Tariff, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Such General Terms and Conditions for Transportation Service, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.

ARTICLE 5 - NOMINATIONS AND NOTICES

5.1 Periodic scheduling and nominations of the quantities of service requested hereunder must be provided by Shipper to PGPL, at the times and according to the procedures specified in Section 12 of the General Terms and Conditions for Transportation Service (or succeeding effective provisions). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in

FERC Docket: RS92- 47-003

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

3.2 From time to time, PGPL and Shipper may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the effective applicable provisions of Rate Schedule FT-1 and subject to the Regulations and Orders of the Commission. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between PGPL and Shipper.

3.3 Notwithstanding the provisions of Sections 3.1 and 3.2 above, for the services provided or contracted for hereunder, PGPL and Shipper may agree on a level of discount of the otherwise applicable rates and charges pursuant to the effective applicable provisions of Rate Schedule FT-1 and subject to the Regulations and Orders of the Commission. Shipper agrees to pay in addition to any discounted rates established hereunder all applicable charges under PGPL's FT-1 tariff other than those base rates established under paragraphs 3.1 and 3.2 of the tariff of their successors.

ARTICLE 4 - GENERAL TERMS AND CONDITIONS

4.1 This Agreement and all terms for service hereunder are subject to the further provisions of the General Terms and Conditions for Transportation Service in First Revised Volume No. 1 of PGPL's Tariff, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Such General Terms and Conditions for Transportation Service, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.

ARTICLE 5 - NOMINATIONS AND NOTICES

5.1 Periodic scheduling and nominations of the quantities of service requested hereunder must be provided by Shipper to PGPL, at the times and according to the procedures specified in Section 12 of the General Terms and Conditions for Transportation Service (or succeeding effective provisions). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in

FERC Docket: RS92- 47-001

Original Sheet No. 72 Original Sheet No. 72: Superseded

General Terms and Conditions for Transportation Service (or succeeding effective provisons). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in General Terms and Conditions for Transportation Service and any other notice which a party may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by first class mail to the address of the other(s), or at such other address as may be designated by written notice. Routine communications and bills (but excluding payments otherwise provided for in the General Terms and Conditions for Transportation Service) shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of the parties hereto are as follows:

PIPELINE

Payments: Refer to Section 8.2 below.

Scheduling and Phillips Gas Pipeline Company Notification: By Mail: Attn: Gas Control

P. O. Box 1967

Houston, TX 77251-1967

Hand Delivery: 6330 W. Loop South, Room 918

Bellaire, TX 77401

Gas Control Phone: (713) 669-7315

SHIPPER

Billing:

Scheduling and Notification:

FERC Docket: RS92- 47-003

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

General Terms and Conditions for Transportation Service (or succeeding effective provisons). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in General Terms and Conditions for Transportation Service and any other notice which a party may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by first class mail to the address of the other(s), or at such other address as may be designated by written notice. Routine communications and bills (but excluding payments otherwise provided for in the General Terms and Conditions for Transportation Service) shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of the parties hereto are as follows:

PIPELINE

Payments: Refer to Section 8.2 below.

Scheduling and Phillips Gas Pipeline Company Notification: By Mail: Attn: Gas Control

P. O. Box 1967

Houston, TX 77251-1967

Hand Delivery: 6330 W. Loop South, Room 918

Bellaire, TX 77401

Gas Control Phone: (713) 669-7315

SHIPPER

Billing:

Scheduling and Notification:

FERC Docket: RS92- 47-001

Original Sheet No. 73 Original Sheet No. 73: Superseded

ARTICLE 6 - CANCELLATION OF PREVIOUS CONTRACTS

6.1 This Agreement supersedes, cancels, and terminates, as of the date(s) stated below, the following contracts (if any) between the parties with respect to the transportation of natural gas:

ARTICLE 7 - SUCCESSION AND ASSIGNMENTS

7.1 This agreement may not be assigned except in the event of a merger or consolidation, in which event this Agreement shall bind and inure to the respective successors and assigns of the parties thereto; however, nothing contained herein shall prevent either party from pledging, mortgaging, or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this agreement.

ARTICLE 8 - OTHER PROVISIONS

- 8.1 Shipper shall use or cause any designee to use the contract number above for scheduling or nominating volumes of natural gas to be transported under this contract for firm transportation.
- 8.2 Shipper agrees that payments under this Agreement shall be by wire transfer or such mutually agreeable alternative method which will make payment funds available to PGPL coincident with wire transfer to the account of Phillips Gas Pipeline Company, Account No. 00-2996-2, WestStar Bank, Bartlesville, Oklahoma.

FERC Docket: RS92- 47-003

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

ARTICLE 6 - CANCELLATION OF PREVIOUS CONTRACTS

6.1 This Agreement supersedes, cancels, and terminates, as of the date(s) stated below, the following contracts (if any) between the parties with respect to the transportation of natural gas:

ARTICLE 7 - SUCCESSION AND ASSIGNMENTS

7.1 This agreement may not be assigned except in the event of a merger or consolidation, in which event this Agreement shall bind and inure to the respective successors and assigns of the parties thereto; however, nothing contained herein shall prevent either party from pledging, mortgaging, or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this agreement.

ARTICLE 8 - OTHER PROVISIONS

- 8.1 Shipper shall use or cause any designee to use the contract number above for scheduling or nominating volumes of natural gas to be transported under this contract for firm transportation.
- 8.2 Shipper agrees that payments under this Agreement shall be by wire transfer or such mutually agreeable alternative method which will make payment funds available to PGPL coincident with wire transfer to the account of Phillips Gas Pipeline Company, Account No. 00-2996-2, WestStar Bank, Bartlesville, Oklahoma.

FERC Docket: RS92- 47-001

Original Sheet No. 74 Original Sheet No. 74: Superseded

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

PHILLIPS GAS PIPELINE COMPANY

(Seal)

EXECUTED , 19

ATTEST:

(Seal)

EXECUTED , 19

ATTEST:

FERC Docket: RS92- 47-003

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

PHILLIPS GAS PIPELINE COMPANY

(Seal)

EXECUTED , 19

ATTEST:

(Seal)

EXECUTED , 19

ATTEST:

FERC Docket: RS92- 47-001

Original Sheet No. 75 Original Sheet No. 75: Superseded

EXHIBIT A

Service Agreement
Between
Phillips Gas Pipeline Company
For
Service Under Rate Schedule FT-1

dated ÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄ

POINT(S) OF RECEIPTS

No. Received From Location Meter No. Quantity Fuel

POINT(S) OF REDELIVERY

No. Redelivered To Location Meter No.

FERC Docket: RS92- 47-003

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

EXHIBIT A

Service Agreement
Between
Phillips Gas Pipeline Company
For
Service Under Rate Schedule FT-1

dated ÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄÄ

POINT(S) OF RECEIPTS

No. Received From Location Meter No. Quantity Fuel

POINT(S) OF REDELIVERY

No. Redelivered To Location Meter No.

FERC Docket: RS92- 47-001

Original Sheet No. 76 Original Sheet No. 76: Superseded

EXHIBIT A

Service Agreement
For
Service Under Rate Schedule FT-1

POINT(S) OF RECEIPT

Description of Facilities Atmos.
Existing/ Operated and Pres. Minimum
No. Proposed Installed by Maintained by (psia) Btu/cf

POINT(S) OF REDELIVERY

Description of Facilities Atmos.
Existing/ Operated and Pres.
No. Proposed Installed by Maintained by (psia)

FERC Docket: RS92- 47-003

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

EXHIBIT A

Service Agreement
For
Service Under Rate Schedule FT-1

POINT(S) OF RECEIPT

Description of Facilities Atmos.
Existing/ Operated and Pres. Minimum
No. Proposed Installed by Maintained by (psia) Btu/cf

POINT(S) OF REDELIVERY

Description of Facilities Atmos. Existing/ Operated and Pres.
No. Proposed Installed by Maintained by (psia)

FERC Docket: RS92- 47-001

Original Sheet No. 77 Original Sheet No. 77: Superseded

FORM OF SERVICE AGREEMENT RATE SCHEDULE IT-1

			CONTRACT NO.							
THIS	AGREEMENT,	is made	and	entered , 19					between:	day
		PHTTTT	es G	AS PTPEL	INE CO	OMPA	ANY.	. (he	ereinafter	

PHILLIPS GAS PIPELINE COMPANY, (hereinafter called "PGPL"), a Delaware Corporation,

and

(hereinafter called "Shipper"),

WHEREAS, PGPL is an interstate pipeline company, and gas transported hereunder for Shipper will be delivered to Phillips Texas Border Pipeline Company ("PNG"), a Hinshaw pipeline and "local distribution company" as defined in the Natural Gas Policy Act of 1978 ("NGPA") eligible to receive transportation services under Section 311 of the NGPA;

WHEREAS, Shipper desires to receive interruptible transportation service from PGPL and PGPL desires to provide such transportation at conditions which are subject to PGPL's Rate Schedule IT-1;

NOW THEREFORE, in consideration of the mutual convenants and agreements as herein set forth, the parties agree as follows:

ARTICLE 1 - TRANSPORTATION

1.1 PGPL agrees to receive at the Point(s) of Receipt and redeliver at the Point(s) of Redelivery, on a fully interruptible basis, quantities of natural gas up to the following daily quantities (MMBtu/day), which shall constitute the Interruptible Transportation Quantity:

ÄÄÄÄÄÄÄÄÄÄÄÄ (MMBtu/day)

FERC Docket: RS92- 47-003

Original Sheet No. 77 Original Sheet No. 77: Effective

FORM OF SERVICE AGREEMENT RATE SCHEDULE IT-1

CONTRACT NO. _____ day
of _____, 19_____, by and between:

PHILLIPS GAS PIPELINE COMPANY, (hereinafter

called "PGPL"), a Delaware Corporation,

and

(hereinafter called "Shipper"),

WHEREAS, PGPL is an interstate pipeline company, and gas transported hereunder for Shipper will be delivered to Phillips Texas Border Pipeline Company ("PNG"), a Hinshaw pipeline and "local distribution company" as defined in the Natural Gas Policy Act of 1978 ("NGPA") eligible to receive transportation services under Section 311 of the NGPA;

WHEREAS, Shipper desires to receive interruptible transportation service from PGPL and PGPL desires to provide such transportation at conditions which are subject to PGPL's Rate Schedule IT-1;

NOW THEREFORE, in consideration of the mutual convenants and agreements as herein set forth, the parties agree as follows:

ARTICLE 1 - TRANSPORTATION

1.1 PGPL agrees to receive at the Point(s) of Receipt and redeliver at the Point(s) of Redelivery, on a fully interruptible basis, quantities of natural gas up to the following daily quantities (MMBtu/day), which shall constitute the Interruptible Transportation Quantity:

ÄÄÄÄÄÄÄÄÄÄÄ (MMBtu/day)

FERC Docket: RS92- 47-001

Original Sheet No. 78 Original Sheet No. 78: Superseded

1.2 The Interruptible Transportation Quantity stated above shall be subject to reduction by PGPL from time to time pursuant to the theneffective provisions of Rate Schedule IT-1.

- 1.3 Exhibit A attached hereto and incorporated by reference herein states the Points of Receipt and Redelivery. Exhibit A may be amended only by written agreement between the parties.
- 1.4 This service is fully interruptible pursuant to Rate Schedule IT-1 of the tariff. Interruptions of service, in whole or in part, occasioned by capacity curtailments shall be as necessitated by operational conditions and shall be in accordance with the General Terms and Conditions for Transportation Service and the applicable Regulations and Orders of the Federal Energy Regulatory Commission or successor agency (Commission). If service is discontinued or interrupted, in whole or in part, Shipper agrees to defend, indemnify and hold PGPL harmless from any loss, claim, damage or expense that Shipper or its customers incur by reason of such discontinuance or interruption.

ARTICLE 2 - TERM

- 2.1 This Agreement shall be effective from the date first stated above and shall remain effective for a primary term of and shall continue in effect month to month thereafter until terminated by PGPL or Shipper upon at least thirty (30) days' prior notice to the other.
- 2.2 Notwithstanding the prior provisions of this Article 2, PGPL shall have the right to terminate service hereunder in the following circumstances: (1) if 18 C.F.R., Part 284 Subpart B of the Commission's Regulations in effect on the date stated above is stayed, modified or overturned by an appellate court; or (2) if PGPL terminates self-implementing transportation under Section 311 of the NGPA or on a general, nondiscriminatory basis; or (3) pursuant to any effective provisions for termination of this Agreement by PGPL as stated in Rate Schedule IT-1 or the General Terms and Conditions for Transportation Service.

FERC Docket: RS92- 47-003

Original Sheet No. 78 Original Sheet No. 78: Effective

1.2 The Interruptible Transportation Quantity stated above shall be subject to reduction by PGPL from time to time pursuant to the theneffective provisions of Rate Schedule IT-1.

- 1.3 Exhibit A attached hereto and incorporated by reference herein states the Points of Receipt and Redelivery. Exhibit A may be amended only by written agreement between the parties.
- 1.4 This service is fully interruptible pursuant to Rate Schedule IT-1 of the tariff. Interruptions of service, in whole or in part, occasioned by capacity curtailments shall be as necessitated by operational conditions and shall be in accordance with the General Terms and Conditions for Transportation Service and the applicable Regulations and Orders of the Federal Energy Regulatory Commission or successor agency (Commission). If service is discontinued or interrupted, in whole or in part, Shipper agrees to defend, indemnify and hold PGPL harmless from any loss, claim, damage or expense that Shipper or its customers incur by reason of such discontinuance or interruption.

ARTICLE 2 - TERM

- 2.1 This Agreement shall be effective from the date first stated above and shall remain effective for a primary term of and shall continue in effect month to month thereafter until terminated by PGPL or Shipper upon at least thirty (30) days' prior notice to the other.
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ARTICLE 3 - RATES AND CHARGES

- 3.1 For the services provided or contracted for hereunder, Shipper agrees to pay PGPL the then-effective, applicable rates and charges under PGPL's Rate Schedule IT-1 filed with the Commission, as such rates and charges and Rate Schedule IT-1 may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. PGPL reserves the unilateral right from time to time to file and to make effective any such changes in the terms or rate levels under Rate Schedule IT-1 and the applicability thereof, the General Terms and Conditions for Transportation Service or any other provisions of PGPL's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.
- 3.2 From time to time PGPL and Shipper may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the effective applicable provisions of Rate Schedule IT-1 and subject to the Regulations and Orders of the Commission. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between PGPL and Shipper.
- 3.3 Notwithstanding the provisions of Sections 3.1 and 3.2 above, for the services provided or contracted for hereunder, PGPL and Shipper may agree on a level of discount of the otherwise applicable rates and charges pursuant to the effective applicable provisions of Rate Schedule IT-1 and subject to the Regulations and Orders of the Commission. Shipper agrees to pay in addition to any discounted rates established hereunder all applicable charges under PGPL's IT-1 tariff other than those base rates established under paragraphs 3.1 and 3.2 of the tariff or their successors.

ARTICLE 4 - GENERAL TERMS AND CONDITIONS

4.1 This Agreement and all terms for service hereunder are subject to the further provisions of PGPL's Rate Schedule IT-1 and of the General

FERC Docket: RS92- 47-003

Original Sheet No. 79 Original Sheet No. 79: Effective

ARTICLE 3 - RATES AND CHARGES

- 3.1 For the services provided or contracted for hereunder, Shipper agrees to pay PGPL the then-effective, applicable rates and charges under PGPL's Rate Schedule IT-1 filed with the Commission, as such rates and charges and Rate Schedule IT-1 may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. PGPL reserves the unilateral right from time to time to file and to make effective any such changes in the terms or rate levels under Rate Schedule IT-1 and the applicability thereof, the General Terms and Conditions for Transportation Service or any other provisions of PGPL's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.
- 3.2 From time to time PGPL and Shipper may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the effective applicable provisions of Rate Schedule IT-1 and subject to the Regulations and Orders of the Commission. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between PGPL and Shipper.
- 3.3 Notwithstanding the provisions of Sections 3.1 and 3.2 above, for the services provided or contracted for hereunder, PGPL and Shipper may agree on a level of discount of the otherwise applicable rates and charges pursuant to the effective applicable provisions of Rate Schedule IT-1 and subject to the Regulations and Orders of the Commission. Shipper agrees to pay in addition to any discounted rates established hereunder all applicable charges under PGPL's IT-1 tariff other than those base rates established under paragraphs 3.1 and 3.2 of the tariff or their successors.

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4.1 This Agreement and all terms for service hereunder are subject to the further provisions of PGPL's Rate Schedule IT-1 and of the General

FERC Docket: RS92- 47-001

Original Sheet No. 80 Original Sheet No. 80: Superseded

Terms and Conditions for Transportation Service in First Revised Volume No. 1 of PGPL's tariff, as such may be modified, supplemented, superseded or replaced generally or as to the service hereunder. Such General Terms and Conditions for Transportation Service, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.

ARTICLE 5 - NOMINATIONS AND NOTICES

5.1 Periodic scheduling and nominations of the quantities of service requested hereunder must be provided by Shipper to PGPL, at the times and according to the procedures specified in Section 12 of the General Terms and Conditions for Transportation Service (or succeeding effective provisions). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in the General Terms and Conditions for Transportation Service and any other notice which a party may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by first class mail to the address of the other(s), or at such other address as may be designated by written notice. Routine communications and bills (but excluding payments otherwise provided for in the General Terms and Conditions for Transportation Service) shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of the parties hereto are as follows:

PIPELINE

Payments: Refer to Section 8.4

Scheduling and By Mail: Phillips Gas Pipeline Company

Notification: Attn: Gas Control
P. O. Box 1967

Houston, TX 77251-1967

Hand Delivery: 6330 W. Loop South, Room 970

Bellaire, TX 77401

Gas Control Phone: (713) 669-7315

FERC Docket: RS92- 47-003

Original Sheet No. 80 original Sheet No. 80 : Effective

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Hand Delivery: 6330 W. Loop South, Room 970

Bellaire, TX 77401

Gas Control Phone: (713) 669-7315

FERC Docket: RS92- 47-001

Original Sheet No. 81 Original Sheet No. 81: Superseded

SHIPPER

Billing:

Scheduling and Notification:

ARTICLE 6 - CANCELLATION OF PREVIOUS CONTRACTS

6.1 This Agreement supersedes, cancels and terminates, as of the date(s) stated below, the following contracts (if any) with respect to the transportation of natural gas between the parties:

ARTICLE 7 - SUCCESSION AND ASSIGNMENTS

7.1 This Agreement may not be assigned except in the event of a merger or consolidation, in which event this Agreement shall bind and insure to the respective successors and assigns of the parties thereto; however, nothing contained herein shall prevent either party from pledging, mortgaging, or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any; money due or to become due under this Agreement.

FERC Docket: RS92- 47-003

Original Sheet No. 81 Original Sheet No. 81: Effective

SHIPPER

Billing:

Scheduling and Notification:

ARTICLE 6 - CANCELLATION OF PREVIOUS CONTRACTS

6.1 This Agreement supersedes, cancels and terminates, as of the date(s) stated below, the following contracts (if any) with respect to the transportation of natural gas between the parties:

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7.1 This Agreement may not be assigned except in the event of a merger or consolidation, in which event this Agreement shall bind and insure to the respective successors and assigns of the parties thereto; however, nothing contained herein shall prevent either party from pledging, mortgaging, or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any; money due or to become due under this Agreement.

FERC Docket: RS92- 47-001

Original Sheet No. 82 Original Sheet No. 82: Superseded

ARTICLE 8 - OTHER PROVISIONS

- 8.1 In the event Shipper executes two or more Transportation Agreements with PGPL, transportation shall be rendered first under the Transportation Agreement with the rate most closely approximating PGPL's maximum rate for Rate Schedule IT-1 and next in sequence shall be transportation under Transportation Agreements in descending order of rates payable.
- 8.2 Each party agrees that the interruptible transportation service offered by PGPL may be oversubscribed at any particular discounted rate and that nothing contained herein shall prohibit or deny to PGPL its right to overbook such service, nor shall anything herein deny or prohibit Shipper from participating in such overbooking by the negotiation of multiple Transportation Agreements at the various discounted rates available from time to time.
- 8.3 Shipper will use or cause any designee to use the contract number above for scheduling or nominating volumes of natural gas to be transported under this contract for discounted interruptible transportation service.
- 8.4 Shipper agrees that payments under this Agreement shall be by wire transfer or such mutually agreeable alternative method which will make payment funds available to PGPL coincident with wire transfer to the account of Phillips Gas Pipeline Company, Account No. 00-2996-2, WestStar Bank, Bartlesville, Oklahoma.

FERC Docket: RS92- 47-003

Original Sheet No. 82 Original Sheet No. 82: Effective

ARTICLE 8 - OTHER PROVISIONS

- 8.1 In the event Shipper executes two or more Transportation Agreements with PGPL, transportation shall be rendered first under the Transportation Agreement with the rate most closely approximating PGPL's maximum rate for Rate Schedule IT-1 and next in sequence shall be transportation under Transportation Agreements in descending order of rates payable.
- 8.2 Each party agrees that the interruptible transportation service offered by PGPL may be oversubscribed at any particular discounted rate and that nothing contained herein shall prohibit or deny to PGPL its right to overbook such service, nor shall anything herein deny or prohibit Shipper from participating in such overbooking by the negotiation of multiple Transportation Agreements at the various discounted rates available from time to time.
- 8.3 Shipper will use or cause any designee to use the contract number above for scheduling or nominating volumes of natural gas to be transported under this contract for discounted interruptible transportation service.
- 8.4 Shipper agrees that payments under this Agreement shall be by wire transfer or such mutually agreeable alternative method which will make payment funds available to PGPL coincident with wire transfer to the account of Phillips Gas Pipeline Company, Account No. 00-2996-2, WestStar Bank, Bartlesville, Oklahoma.

FERC Docket: RS92- 47-001

Original Sheet No. 83 Original Sheet No. 83: Superseded

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

PHILLIPS GAS PIPELINE COMPANY

(Seal)

EXECUTED , 19

ATTEST:

(Seal)

EXECUTED , 19

ATTEST:

FERC Docket: RS92- 47-003

Original Sheet No. 83 Original Sheet No. 83: Effective

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts by their respective officers or other persons duly authorized to do so, as of the date first stated above.

PHILLIPS GAS PIPELINE COMPANY

(Seal)

EXECUTED , 19

ATTEST:

(Seal)

EXECUTED , 19

ATTEST:

FERC Docket: RS92- 47-001

Original Sheet No. 84 Original Sheet No. 84: Superseded

EXHIBIT A

Service Agreement
Between
Phillips Gas Pipeline Company
For
Service Under Rate Schedule IT-1

POINT(S) OF RECEIPTS

No. Received From Location Meter No. Fuel

POINT(S) OF REDELIVERY

No. Redelivered To Location Meter No.

FERC Docket: RS92- 47-003

Original Sheet No. 84 Original Sheet No. 84: Effective

EXHIBIT A

Service Agreement
Between
Phillips Gas Pipeline Company
For
Service Under Rate Schedule IT-1

POINT(S) OF RECEIPTS

No. Received From Location Meter No. Fuel

POINT(S) OF REDELIVERY

No. Redelivered To Location Meter No.

FERC Docket: RS92- 47-001

Original Sheet No. 85 Original Sheet No. 85: Superseded

EXHIBIT A

Service Agreement For Service Under Rate Schedule IT-1

POINT(S) OF RECEIPT

Description of Facilities Atmos.
Existing/ Operated and Pres. Minimum
No. Proposed Installed by Maintained by (psia) Btu/cf Minimum

POINT(S) OF REDELIVERY

Description of Facilities Atmos. Operated and Installed by Maintained by Existing/ Pres. Proposed (psia) No.

(Signature of Shipper) (Signature of PGPL)

(Date) (Date)

FERC Docket: RS92- 47-003

Original Sheet No. 85 Original Sheet No. 85: Effective

EXHIBIT A

Service Agreement For Service Under Rate Schedule IT-1

POINT(S) OF RECEIPT

Description of Facilities Atmos. Existing/ Operated and Pres. Minimum Proposed Installed by Maintained by (psia) Btu/cf Minimum No.

POINT(S) OF REDELIVERY

Description of Facilities Atmos. Existing/ Pres.

Sperated and Maintained by Proposed Installed by (psia) No.

(Signature of Shipper) (Signature of PGPL)

(Date) (Date)