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FERC GAS TARIFF
ORIGINAL VOLUME NO. 1
OF
DOUBLE E PIPELINE, LLC
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning the Tariff Should
Be Addressed To:

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PRELIMINARY STATEMENT

Double E Pipeline, LLC (“Transporter”) owns and operates a natural gas pipeline company engaged in the business of transporting natural gas in interstate commerce under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission.

Services will be provided under specific Agreements and rate schedules and Transporter reserves the right to limit its Agreements for transportation of gas to Shippers acceptable to it after consideration of its existing commitments, delivery capacity, Delivery Point, credit-worthiness of Shippers, and other factors deemed pertinent by Transporter, consistent with the terms and conditions of this Tariff.

Nothing in this Tariff is intended to inhibit the development of, or discriminate against the use of, Imbalance Management Services provided by third parties or Transporter’s Shippers. Any party interested in providing Imbalance Management Services must coordinate with Transporter.

SYSTEM MAP

The System Map may be displayed and downloaded at the Internet Web site below.

<https://trellis-agera.trellisenergy.com/ptms/home/infopost/DOUBLEE>

STATEMENTS OF RATES

INDEX

DESCRIPTION/TITLE

1. Statement of Transportation Rates
2. Statement of Additional Charges and Surcharges
3. Statements of Negotiated Rates

STATEMENT OF TRANSPORTATION RATES

Rate Schedule	Base Rate Per Dth	Maximum Rate Per Dth	Minimum Rate Per Dth
RATE SCHEDULE FTS 1/ -----			
1. Reservation Rate Per Day Per Dth of MDTQ	\$0.1816	\$0.1816	\$0.0002
2. Usage Rate Per Dth	\$0.0002	\$0.0002	\$0.0002
3. Authorized Overrun Service	\$0.1818	\$0.1818	\$0.0002
RATE SCHEDULE ITS 1/ -----			
1. Usage Rate Per Dth	\$0.1818	\$0.1818	\$0.0002
RATE SCHEDULE PALS -----			
1. Usage Rate Per Dth Per Day	\$0.1818	\$0.1818	\$0.0002

1/ Backhaul rate is equal to the Forward haul rate.

STATEMENT OF ADDITIONAL CHARGES AND SURCHARGES

ADDITIONAL CHARGES AND SURCHARGES APPLICABLE TO FTS AND ITS SERVICE -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
1. Annual Charge Adj. (ACA)	1/	1/
2. Gas for Transporter's Use (%)	0.25 Percent	0.25 Percent

1/ ACA Commodity Surcharge to applicable Shippers, pursuant to Section 40 of the General Terms and Conditions.

STATEMENT OF NEGOTIATED RATES
FOR TRANSPORTATION OF NATURAL GAS

Customer Name:

Service Agreement Number:

Term of Negotiated Rate: Primary Term of

Rate Schedule:

MDTQ:

Reservation Rate:

Usage Rate:

Primary Receipt Point:

Primary Delivery Point:

Conflict: Transporter has filed with FERC the negotiated rate contract which this Statement of Negotiated Rates for Transportation of Natural Gas summarizes. If there is deemed a conflict between any portion of this statement and the negotiated rate contract, the terms of the negotiated rate contract control.

RATE SCHEDULES

INDEX

DESCRIPTION/TITLE

1. Rate Schedule FTS - Firm Transportation Service
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3. Rate Schedule PALS – Parking and Lending Service

RATE SCHEDULE FTS
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account up to Shipper's MDTQ.
- (c) Transportation Service rendered under this Rate Schedule shall be firm, up to the Transportation Path MDTQ specified in the executed Agreement.
- (d) At each Delivery Point, quantities delivered for Shipper's account shall not exceed, on an hourly basis, 1/24th of scheduled daily quantities. Transporter may, from time to time, on a not unduly discriminatory basis, permit higher hourly flows, not to exceed 6% of scheduled daily quantities, provided such variation shall not be considered a firm delivery right.
- (e) For Transportation Service to be provided under Subpart B of 18 C.F.R. Part 284, Transporter must receive in writing certification from the intrastate pipeline or local distribution company on whose behalf the service will be provided which states that the requested service qualifies for Transportation Service under Subpart B of Part 284.

3. RATES

Each Month, Shipper shall pay to Transporter the following rates:

3.1 Reservation Rates.

- (a) A Reservation Rate, as stated in the Statements of Rates, shall be paid each Month for each Dekatherm of Shipper's MDTQ.

- 3.2 Usage Rates.
- (a) The Usage Rate, as stated in the Statements of Rates, multiplied by that portion of the total quantity of Gas deliveries on any Day pursuant to the MDTQ in effect under the Agreement.
 - (b) Other Applicable Charges or Surcharges. All applicable surcharges or charges, including, but not limited to those contained in Sections 8 and 22 of the General Terms and Conditions, and as stated in the Statement of Additional Charges and Surcharges multiplied by each Dekatherm of Gas delivered.
- 3.3 Transporter's Use. Each Shipper will furnish Transporter fuel at the nominated Receipt Point(s). The amount of fuel furnished to Transporter will be based on the applicable percentage for Transporter's Use, as calculated pursuant to Section 22.1 of the General Terms and Conditions and as stated in the Statement of Additional Charges and Surcharges.
- 3.4 Negotiated Rates. Shipper and Transporter may mutually agree, pursuant to the provisions of Section 30 of the General Terms and Conditions, to a Negotiated Rate, which rate shall be less than, equal to, or greater than Transporter's Maximum Recourse Rate, but shall not be less than the Minimum Recourse Rate. Any such rates may be based upon a rate design other than straight fixed variable (SFV). Such Negotiated Rate shall be documented as set forth in Section 30.7 of the General Terms and Conditions and included as a Statement of Negotiated Rates Agreement in Transporter's Tariff.
- 3.5 Discounted Rates. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the Transportation Paths for which a Maximum Recourse Rate and Minimum Recourse Rate are stated in the Statements of Rates of this Tariff or a superseding Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Recourse Rate(s), nor shall they be less than the Minimum Recourse Rate(s), set forth on such Statement of Rates. Transporter shall have the right to charge the Maximum Recourse Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings and/or postings on the Internet Website as required by the Commission's regulations with respect to any charges at less than the Maximum Recourse Rate.
- 3.6 Reservation Charge Crediting:
- (a) Reservation Charge Credits for Force Majeure Curtailments. To the extent Transporter fails to schedule or deliver primary firm service properly nominated by Shipper in accordance with Section 4 of the General Terms

and Conditions of Transporter's Tariff, on any Day due to a Force Majeure event that excuses performance under Section 15 of the General Terms and Conditions:

- (i) Shipper shall remain liable for all reservation charge amounts due or that become due under this Rate Schedule during the first ten (10) Days of a Force Majeure event.
 - (ii) Following such ten (10) Day period, Transporter shall provide Shipper reservation charge credits in accordance with this Section 3.6 for the nominated primary firm service quantity that Transporter failed to schedule or deliver to the Primary Delivery Point(s) due to Force Majeure event.
 - (iii) Outages resulting from one-time, non-recurring government requirements, including special, one-time testing requirements after a pipeline failure, are Force Majeure events.
- (b) Reservation Charge Credits for Non-Force Majeure Curtailments. To the extent Transporter fails to deliver primary firm service properly nominated by Shipper in accordance with Section 4 of the General Terms and Conditions of Transporter's Tariff, on any Day due to reasons other than a Force Majeure event, including without limitation reasons for maintenance activities, Transporter shall provide Shipper reservation charge credits in accordance with this Section 3.6 for the nominated primary firm service quantity that Transporter failed to schedule or deliver to the Primary Delivery Point(s).
- (c) Quantities to Which Reservation Charge Credits Apply. Reservation charge credits shall apply to quantities nominated, under Shipper's Firm Service Agreement from a Primary Receipt Point to a Primary Delivery Point up to Shipper's MDTQ and that Transporter has been unable to schedule or deliver due to a Force Majeure event or Non-Force Majeure Event. Notwithstanding the foregoing:
- (i) When Transporter provides notice of Force Majeure or a Non-Force Majeure Event, prior to Shipper's first opportunity to nominate service for the applicable Gas Day, the maximum potential quantity to which reservation charge credits may apply is the average of the quantities, not exceeding Shipper's MDTQ, that were scheduled and delivered to Shipper under the affected Firm Service Agreement for the affected pair of Primary Receipt and Primary Delivery Point(s) over the seven (7) Days of service immediately preceding the event causing service curtailment.

- (ii) Reservation charge credits shall not be available to the extent Shipper utilizes secondary Receipt or Delivery Points for a portion of the nominated quantities that would otherwise be subject to crediting.
- (iii) Reservation charge credits shall not be available to the extent Transporter is able to restore service during the affected Day and Shipper fails to re-submit its nomination in a later cycle, unless, after receiving notice of Transporter's interruption, Shipper either has nominated and been scheduled service on another pipeline or has made alternative arrangements for delivery of such gas as a result of Transporter's non-force majeure interruption of service, and provided verification of such arrangements to Transporter.
- (d) Calculation of Reservation Charge Credits. Transporter shall calculate daily reservation charge credits as the product of the daily reservation charge per dekatherm applicable to Shipper's Firm Service Agreement (discounted or negotiated reservation charges, if applicable) multiplied by the gas quantity subject to reservation charge crediting, calculated in accordance with Section 3.6(c). Transporter shall reflect any reservation charge credit due to a Shipper on the Shipper's monthly invoice, which credit shall be applied first to offset any outstanding past due balance owed.
 - (i) If Shipper has released all or a portion of its firm capacity under Section 25 of the General Terms and Conditions of Transporter's Tariff, Transporter shall allocate the applicable reservation charge credit among the Releasing Shipper and the Replacement Shipper(s) in a not unduly discriminatory manner; however, Transporter shall not allocate any of the credit to a Replacement Shipper receiving service under a volumetric rate.
 - (ii) Releasing Shipper and Replacement Shipper may, by contract, agree to a credit allocation in lieu of allowing Transporter to allocate the reservation charge credit, provided notice of such agreement is communicated to Transporter by the second Business Day following the month of gas flow. Absent such notice, Transporter shall allocate the reservation charge credits in a non-discriminatory manner.
- (e) Curtailments Due to Shipper or Third-Party Action. Reservation charge credits shall be reduced to the extent any subject curtailments are the result of Shipper's negligence or intentional wrongful acts or Shipper's failure to comply with the provisions of Transporter's FERC Gas Tariff. A Shipper shall not be entitled to reservation charge credits when Transporter's failure to schedule or deliver Shipper's nominations is due solely to the

conduct of others, including upstream and downstream transporters, not controllable by Transporter.

- (f) Limitation of Liability. Transporter's liability for failure to schedule or deliver Shipper's nominated quantities, as described in this Section 3.6, shall be limited to reservation charge credits in accordance with this Section 3.6.
- (g) Negotiated Rate Agreements. Shipper and Transporter may agree under a Negotiated Rate Agreement that Shipper shall not be entitled to reservation charge credits under such agreement.

4. RECEIPT AND DELIVERY POINTS

- 4.1 Shipper's Primary Receipt Point(s) and/or Shipper's Transportation Path will be listed in Exhibit A attached to Shipper's Agreement. Shipper shall have the right to utilize all other Receipt Point(s) as Secondary Receipt Point(s), subject to available capacity and the provisions of the General Terms and Conditions.
- 4.2 Shipper's Primary Delivery Point(s) and/or Shipper's Transportation Path will be listed in Exhibit B attached to Shipper's Agreement. Shipper shall have the right to utilize all other Delivery Point(s) as Secondary Delivery Point(s), subject to available capacity and the provisions of the General Terms and Conditions.
- 4.3 Upon ten (10) Business Days prior notice, Shipper shall have the right to re-designate any points listed on Exhibit B as Primary Delivery Point(s), subject to available capacity and the provisions of the General Terms and Conditions; provided, however, if Shipper is paying a Negotiated Rate for service under the Agreement and requests to change its Primary Delivery Point under the Agreement, then unless otherwise agreed to in writing by Shipper and Transporter the rate applicable for service to such new Primary Delivery Point shall be the Maximum Recourse Rate. Furthermore, Shipper shall have the right to utilize all other Delivery Point(s) as Secondary Delivery Point(s), subject to available capacity and the provisions of the General Terms and Conditions.
- 4.4 Subject to mutual agreement and the provisions of Section 12 of the General Terms and Conditions, Shipper shall agree with Transporter as to the delivery pressures at the Delivery Point. Such pressure shall be set forth in Exhibit B to the Agreement. Shipper shall provide sufficient delivery pressure to overcome prevailing line pressures to deliver its nomination into Transporter's System.

5. COMMISSION AND OTHER REGULATORY FEES

Shipper will reimburse Transporter for any separately stated fees required by the Commission or any Governmental Authority.

6. RIGHTS UNDER SECTION 4 OF THE NATURAL GAS ACT

Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in the (a) rates and charges applicable to its Rate Schedule FTS and/or (b) Rate Schedule FTS pursuant to which this service is rendered. Unless otherwise agreed to by Transporter, Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in any provisions of the General Terms and Conditions applicable to Rate Schedule FTS. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

7. AUTHORIZED OVERRUN SERVICE

Upon request of Shipper, Transporter shall, if capacity is available, receive, transport, and deliver on any Day quantities of Gas in excess of Shipper's MDTQ under the FTS Agreement when the capacity and operating capability of its system will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations of equal or higher priority. In granting requests for Authorized Overrun Service, Transporter shall act in a manner consistent with the service priorities set out in Section 5 of the General Terms and Conditions. If demand by more than one Shipper for such Authorized Overrun Service exceeds the amount available, it shall be allocated on a pro-rata basis equal to the respective MDTQ percentage of the total certificated capacity under firm contract by each such Shipper. Shipper shall pay Transporter the applicable rate for Authorized Overrun Service set forth in this Tariff or, if applicable, as set forth in a separate negotiated rate or discount agreement.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are specifically incorporated into this Rate Schedule.

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the Transportation of Gas by Transporter when Shipper and Transporter have executed an Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service rendered under this Rate Schedule shall be interruptible. Interruptible service shall be available only to the extent available capacity is operationally available, under current conditions and shall be offered in accordance with the priorities established in the General Terms and Conditions of Transporter's Tariff.
- (d) At each delivery point, quantities delivered for Shipper's account shall not exceed, on an hourly basis, 1/24th of scheduled daily quantities. Transporter may, from time to time, on a not unduly discriminatory basis, permit higher hourly flows, not to exceed 6% of scheduled daily quantities, provided such variation shall not be considered a firm delivery right.
- (e) For Transportation Service to be provided under Subpart B of 18 C.F.R. Part 284, Transporter must receive in writing certification from the intrastate pipeline or local distribution company on whose behalf the service will be provided which states that the requested service qualifies for Transportation Service under Subpart B of Part 284.

3. RATES

Each Month, Shipper will pay Transporter the following rates:

- 3.1 The Usage Rate, as stated in the Statements of Rates, multiplied by that portion of the total quantity of Gas deliveries on any Day pursuant to the Shipper's Agreement.
- 3.2 Other Applicable Charges or Surcharges. All applicable surcharges or charges, including, but not limited to, those contained in Sections 8 and 22 of the General

Terms and Conditions and as stated in the Statement of Additional Charges and Surcharges multiplied by each Dekatherm of Gas delivered.

- 3.3 Transporter's Use. Each Shipper will furnish Transporter fuel at the nominated Receipt Point(s). The amount of fuel furnished to Transporter will be based on the applicable percentage for Transporter's Use, as calculated pursuant to Section 22.1 of the General Terms and Conditions and as stated in the Statement of Additional Charges and Surcharges.
- 3.4 Discounted Rates. Subject to Transporter's discretion and any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any service rendered under this Rate Schedule ITS; provided, however, that Transporter's discretion shall not be exercised on an unduly discriminatory basis and such adjusted rate(s) shall not be less than the Minimum Usage Rate(s), set forth on such Statement of Rates. Transporter shall make all information filings and/or postings on the Internet Website required by the Commission's regulations with respect to any charges rendered under this Rate Schedule ITS.
- 3.5 Negotiated Rates. Shipper and Transporter may mutually agree, pursuant to the provisions of Section 30 of the General Terms and Conditions, to a Negotiated Rate, which rate shall be less than, equal to, or greater than Transporter's applicable Maximum Recourse Rate, but shall not be less than the Minimum Recourse Rate. Such Negotiated Rate shall be documented as set forth in Section 30.7 of the General Terms and Conditions and included as a Statement of Negotiated Rates in Transporter's Tariff.

4. COMMISSION AND OTHER REGULATORY FEES

Shippers will reimburse Transporter for any separately stated fees required by the Commission or any Governmental Authority.

5. RIGHTS UNDER SECTION 4 OF THE NATURAL GAS ACT

Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in the (a) rates and charges applicable to its Rate Schedule ITS and/or (b) Rate Schedule ITS pursuant to which this service is rendered. Unless otherwise agreed to by Transporter, Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in any provisions of the General Terms and Conditions. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are specifically incorporated into this Rate Schedule.

RATE SCHEDULE PALS
Parking and Lending Service

1. AVAILABILITY

This Rate Schedule is available to any Shipper for the parking and lending of Gas from Transporter, subject to the following limitations:

- 1.1 Transporter has determined that it is operationally able to render such service;
- 1.2 Shipper and Transporter have executed an Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to service which is rendered by Transporter for Shipper pursuant to an executed Agreement under this Rate Schedule.

2.2 Service under this Rate Schedule shall consist of either parking or lending of Gas during any Day, or part thereof. Service rendered by Transporter under this Rate Schedule shall be interruptible and shall consist of:

- (a) Parking Service. Parking Service is an interruptible service which provides for (1) the receipt by Transporter of Gas quantities delivered by Shipper to Receipt Point(s) nominated by Shipper for receipt of parked quantities; (2) Transporter holding the parked quantities on Transporter's System; and (3) return of the parked quantities to Shipper, provided, however, that Transporter is not obligated to return parked quantities on the same Day and at the same point(s) at which the Gas is parked.
- (b) Lending Service. Lending Service is an interruptible service which provides for (1) Shipper receiving Gas quantities from Transporter at Delivery Point(s) nominated by Shipper for delivery of loaned quantities of Gas; and (2) the subsequent return of the loaned quantities of Gas to Transporter, provided, however, that Transporter is not obligated to accept return of loaned Gas on the same Day and at the same point(s) at which the Gas is loaned.
- (c) If the Shipper receives parked quantities or returns loaned quantities at point(s) other than the point(s) at which the park or loan occurred, then Shipper and Transporter shall enter into a separate Transportation Agreement(s) to effectuate receipt or delivery of Gas from or to the new point(s).
- (d) For Transportation Service to be provided under Subpart B of 18 C.F.R. Part 284, Transporter must receive in writing certification from the intrastate pipeline or local distribution company on whose behalf the service will be provided which states that the requested service qualifies

for Transportation Service under Subpart B of Part 284.

- 2.3 Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term. The term shall be set forth on the Agreement executed between Shipper and Transporter.
- 2.4 Transportation of Gas quantities for or on behalf of Shipper to or from the designated point(s) under the Agreement shall not be performed under this Rate Schedule. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver Gas quantities at the designated point(s) for Parking or Lending Service hereunder.

3. RATES

Each Month, Shipper shall pay to Transporter the following rates:

- 3.1 Usage Rates per Dekatherm per Day.
 - (a) The applicable usage rate, as stated in the Statements of Rates, which shall be paid for each Dekatherm of Gas parked or loaned each Day at each point by Transporter for or on behalf of the account of Shipper multiplied by the highest balance of Gas quantities parked and/or loaned by Shipper on such Day;
 - (b) Other Applicable Charges or Surcharges. All applicable surcharges or charges including, but not limited to, those charges under Sections 8 and 22 of the General Terms and Conditions, and as stated in the Statement of Additional Charges and Surcharges multiplied by each Dekatherm of Gas parked or loaned each Day at each point by Transporter for or on behalf of the account of Shipper.
- 3.2 Transporter's Use. Shipper shall not be required to furnish fuel for service under this Rate Schedule.
- 3.3 Negotiated Rates. Shipper and Transporter may mutually agree, pursuant to the provisions of Section 30 of the General Terms and Conditions, to a Negotiated Rate, which rate shall be less than, equal to, or greater than Transporter's Maximum Recourse Rate, but shall not be less than the Minimum Recourse Rate. Such Negotiated Rate shall be documented as set forth in Section 30.7 of the General Terms and Conditions and included as a Statement of Negotiated Rates in Transporter's Tariff.
- 3.4 Discounted Rates. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for service under this Rate Schedule for which a Maximum Recourse Rate and Minimum Recourse Rate are stated in the Statements of Rates of this Tariff or a superseding Tariff;

provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Recourse Rate(s), nor shall they be less than the Minimum Recourse Rate(s), set forth on such Statement of Rates. Transporter shall have the right to charge the Maximum Recourse Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings and/or postings on the ECM required by the Commission's regulations with respect to any charges at less than the Maximum Recourse Rate.

4. OPERATIONAL REQUIREMENTS OF TRANSPORTER

4.1 Shipper may be required, upon notification from Transporter, to cease or reduce deliveries to, or receipts from, Transporter hereunder within a Day consistent with Transporter's operating requirements. Further, Shipper may be required to return loaned quantities or remove parked quantities upon notification by Transporter. Such notification shall, at a minimum, be provided by posting on the ECM, and may also be provided by other means of communication. Transporter's notification shall specify the time frame within which parked quantities shall be removed and/or loaned quantities shall be returned, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification, subject to the following conditions:

- (a) In the event that the specified time for removal or return of Gas quantities is the next Day, the time frame for required removal or return shall begin from the time that Shipper receives notice from Transporter. Notices provided after business hours for the next Day will be provided to Shipper via Electronic Communication. In the event that Shipper makes a timely and valid nomination in response to notification by Transporter to remove parked quantities and/or return loaned quantities, Shipper shall be deemed to have complied with Transporter's notification; and
- (b) Unless otherwise agreed by Shipper and Transporter: (i) any parked quantity not nominated for removal within a time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; (ii) any loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at Transporter's Cashout Price at the >20% Imbalance Level for Imbalances Due Transporter, pursuant to Section 8.7(b) of the General Terms and Conditions.

Any penalty revenues received by Transporter as a result of the operation of Section 4.1(b) above will be credited pursuant to Section 23.4(a) of the General Terms and Conditions.

4.2 In the event parked quantities remain in Transporter's System and/or loaned quantities have not been returned to Transporter's System at the expiration of any Agreement executed by Shipper and Transporter, Transporter and Shipper may

mutually agree to an extended time frame and/or modified terms, including the rate, of such Agreement. In the event that Shipper and Transporter are unable to come to such Agreement, Transporter shall notify Shipper, and Shipper shall nominate for removal of the parked quantities and/or return of the loaned quantities within the time frame specified in Transporter's notice, which in no instance shall be less than one (1) Day. Any parked quantity not nominated for removal within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims. Any loaned quantities not nominated to be returned within the time frame specified by Transporter's notice shall be sold to Shipper at Transporter's Cashout Price at the >20% Imbalance Level for Imbalances Due Transporter, pursuant to Section 8.7(b) of the General Terms and Conditions.

Any penalty revenues received by Transporter as a result of the operation of Section 4.2 above will be credited pursuant to Section 23.4(b) of the General Terms and Conditions.

5. COMMISSION AND OTHER REGULATORY FEES

Shippers will reimburse Transporter for any separately stated fees required by the Commission or any Governmental Authority.

6. RIGHTS UNDER SECTION 4 OF THE NATURAL GAS ACT

Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in the (a) rates and charges applicable to its Rate Schedule PALS and/or (b) Rate Schedule PALS pursuant to which this service is rendered. Unless otherwise agreed to by Transporter, Transporter shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act with the appropriate regulatory authority, to make changes in any provisions of the General Terms and Conditions. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are specifically incorporated into this Rate Schedule.

GENERAL TERMS AND CONDITIONS
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1. DEFINITIONS

In some instances, definitions are set forth in the Rate Schedules, General Terms and Conditions and the Forms of Service Agreements.

The term “Agreement” shall mean the agreement executed by the Shipper and Transporter and any applicable exhibits, attachments and/or amendments thereto.

The term “Backhaul” shall mean the movement of gas from a Receipt Point to a Delivery Point that is at all times and at all points along the path in a direction opposite to the flow of gas.

The term “Business Day” shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States.

The term “BTU” shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit, (BTU is measured and reported on a dry basis at 14.73 psia and 60 degrees Fahrenheit).

The term “Cashout” shall mean the monetary settlement of quantities of Gas owed to or by Transporter or third parties, as further described in Section 8 of these General Terms and Conditions.

The term “Cashout Party” shall mean any Shipper or other contractually liable entity that has an imbalance under any Agreement, which imbalance will be resolved in accordance with Section 8 of these General Terms and Conditions.

The term “Cashout Price” shall mean the price determined pursuant to Section 8 of these General Terms and Conditions.

The term “Cashout Buy Price” shall mean the price determined pursuant to Section 8 of these General Terms and Conditions.

The term “Cashout Sell Price” shall mean the price determined pursuant to Section 8 of these General Terms and Conditions.

The term “Central Clock Time” or “CCT” shall mean Central Standard Time (“CST”) except when Daylight Savings Time is in effect, when it shall mean one hour in advance of CST. All times referenced in Transporter’s Tariff shall be in CCT.

The term “Commission” or “FERC” shall mean the Federal Energy Regulatory Commission or any successor regulatory authority.

The term “Day” or “Gas Day” shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. CCT, and ending on the following 9:00 a.m.

The term “Dekatherm” (or “Dth”) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU; thus the term Mdth shall mean one (1) thousand (1,000) Dth.

The term “Delivery Point” shall mean an interconnection point on Transporter’s System that Shipper and Transporter shall agree upon, where Gas exits facilities owned by Transporter, and is metered.

The term “Delivery Point Operator” shall mean the party that is responsible for operating the facilities that are immediately downstream of the applicable Delivery Point.

The term “Discount Confirmation” shall mean an electronic mail (e-mail) message sent by Transporter to Shipper to confirm the terms of the discount granted pursuant to Section 35 of the General Terms and Conditions of Transporter’s FERC Gas Tariff.

The term “Elapsed Prorata Capacity” shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

The term “Elapsed Prorated Scheduled Quantity” shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based on a uniform hourly flow rate for each nomination period affected.

The term “Electronic Communication” shall mean communications via the ECM, or via electronic mail communication between Transporter and Shipper using the e-mail addresses provided by Shipper pursuant to Section 16 of the General Terms and Conditions.

The term “Electronic Communications Mechanism” or “ECM” shall mean the Electronic Communication methodology used to transmit and receive data related to Gas transactions. Transporter and Shipper shall designate an electronic “site” at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party. Transporter’s use and implementation of ECM shall conform to all appropriate NAESB standards.

The term “Force Majeure” as used herein shall generally mean any unplanned or unanticipated event or circumstance that is not within the control of the party claiming suspension of its obligation and which such party could not have avoided through the exercise of reasonable diligence, and shall include, but not limited to, acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, terrorist attacks, vandalism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), crevasses, sinkholes, floods, washouts, arrests and restraints of the government, either Federal or State, civil or military, civil disturbances. Force Majeure shall also mean shutdowns due to power outages and/or for purposes of necessary repairs, relocation, or

construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe and the necessity to make repairs or alterations thereto, but not including planned or scheduled maintenance; failure of surface equipment or pipe lines, including, but not limited to, failures resulting from severe weather and freezing of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Transporter's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the requirement in Section 15.1 of the General Terms and Conditions that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.

The term "Gas" shall mean natural gas, including cap gas, casinghead gas produced with crude oil, gas from gas wells, gas from condensate wells, synthetic natural gas, or any mixture of these gases meeting the quality standards under Section 3 of these General Terms and Conditions.

The term "Governmental Authority" means any federal, state, regional, municipal, tribal or other governmental department, commission, board, bureau, agency, administrative body, instrumentality or arbitration panel, or any court or tribunal.

The term "Imbalance Management Services" shall mean the options available to Shippers for resolution of imbalances including the application of the Cashout mechanism set forth in Section 8 of the General Terms and Conditions. These options include service under Imbalance Netting and Trading and, as a final resolution, Cashout.

The term "Internet Website" shall mean the Uniform Resource Locator (URL) of Transporter's ECM accessible via the Internet's World Wide Web located at [http://\[\]](http://[]).

The term "Maximum Allowable Operating Pressure" means the maximum pressure at which a pipeline or segment of a pipeline may be operated, or as otherwise defined by regulation at 49 C.F.R. § 192.3.

The term "Maximum Daily Quantity" Transportation ("MDTQ") shall mean the greatest number of Dekatherms that Transporter is obligated to transport, on a firm basis, to or on behalf of Shipper on any Day.

The term "Maximum Daily Hourly Quantity" Transportation ("MDHTQ") shall mean the greatest number of Dekatherms that Transporter is obligated to transport, on a firm basis, during any given hour to or on behalf of Shipper on any Day, provided such amount does not exceed the MDQMDTQ.

The term “Maximum Recourse Rate” shall mean the highest cost based rate that Transporter is allowed to charge a Shipper who executes an Agreement for Transportation Service.

The term “Mcf” shall mean one (1) thousand (1,000) cubic feet of Gas; the term MMcf shall mean one (1) million (1,000,000) cubic feet of Gas. (Mcf is measured on a dry basis at 14.73 psia. and 60 degrees Fahrenheit.)

The term “Minimum Delivery Pressure” shall have the meaning set forth in Section 12.2 of the General Terms and Conditions.

The term “Minimum Recourse Rate” shall mean the lowest cost based rate that Transporter is allowed to charge a Shipper who executes an Agreement for Transportation Service.

The term “Month” shall mean the period beginning on the first Day of a calendar Month and ending at the same hour on the first Day of the next succeeding calendar Month.

The term “Monthly Imbalance” shall mean a Shipper’s monthly quantity subject to resolution through the Cashout mechanism described in Section 8 of the General Terms and Conditions, calculated as the difference between (i) allocated quantities received from a Cashout Party for the Month, as determined in accordance with Section 7 of the General Terms and Conditions, adjusted for Transporter’s Use, and (ii) allocated quantities delivered to a Cashout Party for the Month, as determined in accordance with Section 7.

The term “Negotiated Rate” shall mean a rate or rate formula for computing a rate for service under a single Agreement. For scheduling and curtailment purposes, a Shipper paying a Negotiated Rate in excess of the Maximum Recourse Rate will be considered to be paying the Maximum Recourse Rate.

The term “Netting” shall be used to describe the process of resolving imbalances for a Shipper within an Operational Impact Area. There are two types of Netting:

- a. Summing is the accumulation of all imbalances above any applicable tolerances for a Shipper or agent.
- b. Offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Shipper or agent.

The term “Non-Offending Shipper” shall be used to describe a Shipper that has not incurred a penalty in a Month in which penalty revenues were generated.

The term “North American Energy Standards Board” or “NAESB” shall mean the accredited organization established to set standards for certain natural gas industry business practices and procedures.

The term “Operational Impact Area” shall describe a Transportation Service Provider’s (as defined by the NAESB Standards) designation of the largest possible area(s) on its system in which imbalances have a similar operational impact. For Transporter, the entire pipeline system shall comprise a single Operational Impact Area.

The term “Operational Balancing Agreement” shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

The term “Operational Flow Order” shall mean an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Transporter’s System or to maintain operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order.

The term “Primary Delivery Point” shall mean the Delivery Point(s) as specified in the Exhibit B to Shipper’s FTS Agreement.

The term “Primary Receipt Point” shall mean the Receipt Point(s) as specified in Exhibit A to Shipper’s FTS Agreement.

The term “Rate Default” shall mean, for index-based capacity release transactions, the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor shall serve as the Rate Default.

The term “Rate Floor” shall mean, for index-based capacity release transactions, the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Customer. The Rate Floor may not be less than Transporter’s minimum reservation rate or zero cents where there is no stated minimum reservation rate.

The term “Receipt Point” shall mean an interconnection point on Transporter’s System that Transporter and Shipper shall agree upon, where Gas enters facilities owned by Transporter, and is metered.

The term “Receipt Point Operator” shall mean the party that is responsible for operating the facilities that are immediately upstream of the applicable Receipt Point.

The term “Release” shall mean a relinquishment of firm capacity right(s) by a Shipper pursuant to Section 25 of these General Terms and Conditions.

The term “Reput” shall mean the reinstatement of a capacity release transaction that was recalled.

The term “Secondary Delivery Point” shall mean a Delivery Point that is not specified as a Primary Delivery Point.

The term “Secondary Receipt Point” shall mean a Receipt Point that is not specified as a

Primary Receipt Point.

The term “Segment” shall mean the portion of the pipeline on which Shipper has the firm contract right to move from one point to the next point.

The term “Segment Path Right” shall mean the quantity of Gas for which Shipper has the firm contract right to move within the Segment.

The term “Service Day” shall mean the Day during which Shipper receives Transportation Service pursuant to a nomination in accordance with Section 4 of the General Terms and Conditions.

The term “Service Month” shall mean the Month during which Shipper receives services under this Tariff.

The term “Shipper” shall mean any person, corporation, limited liability company, partnership or any other legal entity that enters into an Agreement for service with Transporter including those seeking service pursuant to Sections 25 and 26 of the General Terms and Conditions.

The term “Tariff” shall mean Transporter’s FERC Gas Tariff as effective from time to time.

The terms “Tender Gas” and “Tender of Gas” shall mean that the delivering party is able and willing, and offers, to deliver Gas to the receiving party at the appropriate Receipt Point or Delivery Point.

The term “Title Transfer” shall mean the change of title to Gas between parties at a location.

The term “Title Transfer Tracking” shall mean the process of accounting for the progression of title changes from party to party which process does not affect a physical movement of the Gas.

The term “Title Transfer Tracking Service Provider” or “TTTSP” shall mean a party conducting Title Transfer Tracking activities.

The terms “Transportation” and “Transportation Service” shall mean transportation of Gas by forward haul, displacement or Backhaul, or any combination thereof.

The term “Transportation Path” shall mean (i) for a firm Agreement that is not the result of a capacity release, all Segments between the Primary Receipt Point(s) and the Primary Delivery Point(s) specified in Exhibits A and B to Shipper’s FTS Agreement, and (ii) for capacity release transactions, the Segment(s) for which the Segment Path Right is greater than zero.

The term “Transporter” shall mean Double E Pipeline, LLC.

The term “Transporter’s System” shall mean those facilities as displayed on the System Map as set forth in Part 3 of this Tariff.

The term “Transporter’s Use” shall mean the quantity of Gas required by Transporter for compressor fuel, other company use and lost-and-unaccounted for Gas for service under each Agreement and shall be equal to the Transporter’s Use (%) under each such Agreement multiplied by the quantities tendered to Transporter.

The term “Transporter’s Use (%)” shall mean the applicable percentage of Transporter’s Use, which shall be an allocable amount of Transporter’s Use, as calculated pursuant to Section 22.1, The applicable percentage is shown in the Statement of Additional Charges and Surcharges and shall be annually redetermined and filed to be made effective June 1 of each year in accordance with Section 22.1 of these General Terms and Conditions.

2. MEASUREMENT AND MEASUREMENT EQUIPMENT

- 2.1 (a) The volume of Gas delivered at the Receipt Point(s) and at the Delivery Point(s) shall be measured by one of the following devices installed by Transporter at its election, or as agreed to by Transporter and the operator of the interconnecting facilities:
- (1) An orifice meter, designed and installed in accordance with the current edition of American National Standard ANSI/API 2530 (American Gas Association Report No. 3), entitled “Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids” (hereinafter referred to as “AGA Report No. 3”); or
 - (2) A turbine meter, designed and installed in accordance with the current edition of American Gas Association Transmission Measurement Committee Report No. 7, entitled “Measurement of Gas by Turbine Meters”, (hereinafter referred to as “AGA Report No. 7”); or
 - (3) An ultrasonic meter, designed and installed in accordance with the current edition of American Gas Association Transmission Measurement Committee Report No. 9, entitled “Measurement of Gas by Multipath Ultrasonic Meters” (hereinafter referred to as “AGA Report No. 9”); or
 - (4) A positive displacement meter, designed and installed in accordance with generally accepted industry practices.
- (b) Meters shall be maintained and operated, and auxiliary measuring equipment shall be installed, maintained and operated, in accordance with generally accepted industry practices.
- 2.2 (a) The volume of Gas delivered at each Receipt Point and Delivery Point shall be calculated by means of an electronic flow computer located at each Receipt Point or each Delivery Point, in the following manner:
- (1) The volume of Gas delivered through an orifice meter shall be computed in accordance with AGA Report No. 3, properly using all factors set forth therein.
 - (2) The volume of Gas delivered through a turbine meter shall be computed in accordance with AGA Report No. 7, properly using all factors set forth therein.
 - (3) The volume of Gas delivered through an ultrasonic meter shall be computed in accordance with AGA Report No. 9, properly using all factors set forth therein.

- (4) The volume of Gas delivered through a positive displacement meter shall be computed by properly applying, to the volume delivered at flowing Gas pressures and temperatures, correction factors for (i) absolute static pressure, (ii) flowing Gas temperature, and (iii) compressibility ratio.
- (b) The volume of Gas delivered shall be computed using the standards and factors determined as follows:
- (1) The unit of volume for the purpose of measurement shall be one thousand cubic feet of Gas at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute. For the purpose of pricing hereunder, the Dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating value per cubic foot of the Gas Delivered Hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1000).
 - (2) The average absolute atmospheric (barometric) pressure at each Receipt Point and each Delivery Point shall be assumed to be 14.7, irrespective of the actual location or elevation above sea level of the Receipt Point or Delivery Point or of variations in actual atmospheric pressure from time to time.
 - (3) The static pressure and temperature of the Gas at flowing conditions through a meter and, where applicable, the differential pressure across the orifice plate of an orifice meter shall be determined by means of instruments of standard manufacture accepted in the industry for these purposes.
 - (4) The supercompressibility factor used in computing the volume of Gas delivered through an orifice meter shall be determined using the procedures presented in American Gas Association Transmission Measurement Committee Report No. 8, entitled "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases."
 - (5) The specific gravity of the Gas used in computing the volume of Gas delivered through a meter shall be determined at each Receipt Point and at strategic locations determined by Transporter to be representative for each Delivery Point by standard methods accepted in the industry for this purpose.
 - (6) The compressibility ratio factor "s" used in computing the volume of Gas delivered through a turbine meter, an ultrasonic meter, or a

positive displacement meter shall be determined by the equation $s = (F_{pv})^2$, in which “ F_{pv} ” is the supercompressibility factor determined as described in subparagraph (4) of this subsection (b).

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

The accuracy of all measuring equipment shall be verified by operator at least once each year and if requested, in the presence of representatives of the other party, but neither Transporter nor Shipper shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. If the operator agrees to verification and test of measuring equipment and fails to perform such verification and testing, then the other party shall have the right to cease or temporarily discontinue service relative to such measuring equipment. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses, provided, however, that Shipper shall not be responsible for such Transportation and related expenses if the special testing reveals that the meter(s) is (are) not operating within the required tolerance level of one percent (1%).

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

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed receipts or deliveries is not more than one percent (1%), then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record

correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds one percent (1%), the previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test.

- 2.4 In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings of receipts or deliveries through such equipment shall be determined as follows; provided, however, that the correction period shall be within six (6) Months of the production Month, with a three (3) Month rebuttal period and provided, further, that such standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard:
- (a) by using the registration of any check meter or meters if installed and accurately registering, or in the absence of (a);
 - (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
 - (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.
- 2.5 If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.
- 2.6 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, if any, and other similar records.
- 2.7 Shipper or Transporter may install, maintain, and operate odorizing (at a Delivery Point only), regulating, telemetering, and heating equipment at its own expense as it shall desire at each Receipt Point or Delivery Point, and the operator of such equipment at its own expense shall provide the other party a suitable site therefore and allow the other party free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of the operating party's measuring equipment at each Receipt Point or Delivery Point. All such equipment as Shipper or Transporter shall desire to install shall be constructed, installed and operated to conform to the other party's requirements.

3. QUALITY OF GAS

- 3.1 Except as expressly set forth herein to the contrary, the Gas received or delivered by Transporter shall be a combustible Gas consisting of methane and such other hydrocarbon constituents or a mixture of two or more of them which, in any case, meets the following qualify specifications:
- (a) The Gas shall have a total heating value not less than nine hundred seventy-five (975) BTU per cubic foot of Gas nor greater than eleven hundred (1,100) BTU per cubic foot of Gas;
 - (b) The Gas shall have a hydrocarbon dew point of not more than twenty degrees Fahrenheit (20° F) at normal pipeline operating pressures; however should the Gas contain a hydrocarbon dew point greater than twenty degrees Fahrenheit (20 °F), but less than or equal to forty degrees Fahrenheit (40 °F), Transporter will accept such blended Gas provided that such blended Gas is accepted by pipelines downstream of Transporter's System;
 - (c) The Gas shall be commercially free, under continuous Gas flow conditions, from objectionable odors, solid matter, dust, gums, gum-forming constituents, gasoline, liquid hydrocarbons, water or any other solid or liquid matter which might cause damage to or interference with proper operations of the pipeline, compressor stations, meters, regulators or other appliances through which the Gas flows;
 - (d) The Gas shall not have uncombined oxygen content in excess of ten parts per million (10 ppm) by volume of oxygen (O₂). Any Gas in excess of ten parts per million (10 ppm), but not in excess of one hundred parts per million (100 ppm), by volume of oxygen (O₂), will be accepted so long as blended gas of all receipt volumes received by Transporter will be accepted by pipelines downstream of Transporter's System;
 - (e) The Gas shall not contain more than two percent (2%) by volume of carbon dioxide, not contain more than three percent (3%) by volume of nitrogen or three percent (3%) by volume of total inert gases;
 - (f) The Gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one-hundred (100) cubic feet;
 - (g) The Gas shall not contain more than one half (0.5) of one grain of total sulfur or more than three tenths (0.3) of one grain of mercaptans per one-hundred (100) cubic feet;
 - (h) The flowing Gas shall not have a temperature of more than one-hundred twenty degrees (120°F) Fahrenheit nor less than forty degrees Fahrenheit (40°F);

- (i) The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is received and delivered;
 - (j) The Gas shall not contain in excess of seven (7) pounds of water vapor per million cubic feet;
 - (k) The Gas shall not contain, either in the Gas or in any liquids with the Gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Transporter and Shipper which is currently available or may become available at any time;
 - (l) The Gas will contain no carbon monoxide, halogens or unsaturated hydrocarbons and not more than four hundred parts per million (400 ppm) of hydrogen; and
 - (m) The Gas will not contain more than two-tenths (0.2) gallon per Mcf of isopentane (C5+) and heavier hydrocarbons.
- 3.2 The test equipment and methodology utilized by Transporter to determine whether Gas meets the quality specifications set forth in Section 3.1 shall be posted on its Internet Website.
- 3.3 At Transporter's request, Shipper shall use all reasonable efforts to obtain and provide to Transporter all records regarding Gas quality kept by upstream pipelines transporting the Gas received by Transporter for Shipper's account. Shipper shall use all reasonable efforts to ensure and verify for Transporter that such upstream pipelines are using appropriate equipment to monitor compliance with the Gas quality specifications applicable on Transporter's System as stated in this Section 3.
- 3.4 If the Gas tendered for Shipper's account to Transporter shall fail at any time to conform to any of the specifications set forth in this Section 3 or in Transporter's reasonable judgment, may cause harm to its facilities or diminish the quality of Gas in the system, then Transporter shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality deficient Gas. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Agreement. If the Gas tendered by Transporter for Shipper's account shall fail at any time to conform to any of the specifications set

forth in this Section 3 then Shipper shall notify Transporter of such deficiency and may, at its option, refuse to accept delivery pending correction by Transporter.

- 3.5 Transporter may waive the requirements set forth in Section 3.1 in order to allow Shipper to tender or cause to be tendered, Gas which does not when injected into Transporter's pipeline meet the quality specifications set forth in Section 3.1; provided that Transporter's acceptance of such Gas shall not adversely impact Transporter's System facilities or operations, and further provided that once such Gas has been blended, to the extent blending occurs, the commingled Gas stream at any Delivery Point on Transporter's System shall be compliant with the quality specifications set forth in Section 3.1. Transporter shall implement this Section 3.5 on a non-discriminatory basis and may cancel any waiver at any time if necessary to assure that the commingled Gas stream is compliant with the quality specifications set forth in Section 3.1 at any Delivery Point on Transporter's System.
- 3.6 Odorization. Transporter shall have no obligation to odorize the Gas tendered by Shipper other than to conform to the regulations of appropriate governmental authorities having jurisdiction. However, if Transporter odorizes the Gas, such odorization shall be by use of a malodorant agent of such character as to indicate by a distinctive odor the presence of Gas. Whenever odorized Gas is delivered, the quality and specifications, as set forth in this Section 3, of such Gas shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the Gas by Transporter shall be for the purpose of detection of the Gas only during the time when the Gas is in the possession of Transporter, prior to delivery to the Shipper.

4. NOMINATIONS

4.1 Shipper may submit to transporter nominations twenty-four (24) hours a day via the ECM. All nominations must contain the mandatory data elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements applicable to Transporter's services. All nominations shall include Shipper defined begin dates and end dates. All nominations excluding intra-day nominations should have roll-over options. Specifically, Shippers have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of the Shipper's Agreement. Nominations under Rate Schedule ITS or PALS and nominations for Authorized Overrun Service must specify that the nomination is being done pursuant to such service and specify the daily scheduled quantity, and all quantities must be stated in Dekatherms. At the end of each Day, Transporter will provide the final scheduled quantities for the just completed Day. With respect to the implementation of this process via NAESB Standard No. 1.4.x scheduled quantity related standards, Transporter should send an end of Day Scheduled Quantity document. Receivers of the end of Day Scheduled Quantity document can waive the sender's sending of the end of Day Scheduled Quantity document.

(a) All nominations for Gas to flow at the beginning of a Service Day must be submitted to Transporter via the ECM, unless another method of communication is mutually agreed upon by Transporter and Shipper and must be submitted in accordance with the standard nomination timelines for the Timely and Evening Nomination Cycles set forth in this Section 4.1(a). All nominations are considered original nominations and will be replaced when changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only for the Day(s) specified in such revised nomination. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

(1) The Timely Nomination Cycle: (All times are CCT on the day prior to the Service Day)

1:00 p.m.. Latest time that nominations may leave control of the nominating party;

1:15 p.m. Receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));

1:30 p.m. Transporter sends quick response;

4:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

5:00 p.m. Receipt of scheduled quantities by Shipper and point operator.

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

(2) The Evening Nomination Cycle (All times are CCT on the Day prior to the Service Day.)

6:00 p.m. Latest time that nominations may leave control of the nominating party;

6:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);

6:30 p.m. Transporter sends quick response;

8:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

9:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

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

For purposes of Sections 4.1(a)(1) and 4.1(a)(2), “provide” shall mean, for transmittals pursuant to NAESB Standard No. 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

(b) Shipper shall include in its nominations the desired order of priority of receipts and deliveries under each Agreement which Transporter will use when taking action to change receipts and/or deliveries according to Sections 5.2, 5.3 and 5.4. The order of priority shall indicate that a priority of one (1) shall be the last to be affected by changes. Nominations with the same priority will be adjusted pro rata.

- (c) If Shipper completes and resubmits an otherwise incomplete nomination, then Transporter will process the nomination in the first nomination cycle that occurs where the Shipper's complete nomination meets the deadline for nominations.
- (d) Variations by Shipper of actual receipts and deliveries from the nominated receipts and deliveries shall be kept to a minimum. Under no circumstances shall Transporter be obligated to deliver to any Shipper, on any Day, a quantity of Gas under any Agreement greater than Transporter received at the Receipt Point(s) on behalf of such Shipper under such Agreement.
- (e) Daily Scheduling Charge. When Transporter has not issued an Action Alert or Operational Flow Order, if Shipper takes delivery from Transporter at a Delivery Point of a quantity that varies from quantities scheduled pursuant to this Section 4, by the greater of 50 Dth or five percent (5%) of the quantities scheduled, Shipper shall pay a Daily Scheduling Charge for each Dth Shipper receives that varies from the quantities scheduled in excess of the authorized tolerance. The Daily Scheduling Charge will be equal to the currently effective maximum rate for service under Transporter's Rate Schedule ITS. The Daily Scheduling Charge does not apply when Transporter has issued an Action Alert or an Operational Flow Order. Section 13 of the General Terms and Conditions applies to deliveries that vary from quantities scheduled during the duration of Action Alerts and Operational Flow Orders.
- (f) Nominated Imbalance Quantities. Shipper shall separately nominate make-up quantities to resolve imbalances (Make-up Gas).

4.2 Implementation of Intra-day Nominations.

- (a) Intra-day nominations may be submitted twenty-four (24) hours a Day and will be processed in the same manner as other nominations. All intra-day nominations for Gas to flow subsequent to the beginning of a Service Day for the remainder of that Service Day must be submitted to Transporter via the ECM unless another method of communication is mutually agreed upon by Transporter and Shipper. Transporter shall schedule intra-day nomination changes subject to the restrictions set forth in this Section 4.2. Nominations received after the nomination deadline will be scheduled after the nominations received before the nominations deadline.
- (b) All nominations, including intra-day nominations, shall be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the intra-day nomination, if not otherwise addressed in Transporter's contract

or Tariff. Intra-day nominations do not rollover (i.e. intra-day nominations span one day only). Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intra-day nomination modifies an existing nomination.

- (c) Subject to upstream and downstream operators' confirmations and Transporter's operating conditions, an intra-day nomination submitted pursuant to this Section 4.2 can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled Gas.
- (d) With respect to intraday nominations for reductions in previously scheduled quantities, Transporter will accept, subject to the limitations set forth in Section 4.1(a), any explicitly confirmed quantity, down to and including zero, for such intraday nomination; provided, however, if such intraday nomination requires confirmation from an upstream and/or downstream interconnected pipeline then any intraday nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.
- (e) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries under Section 4.1 above, provided that such changes are submitted via the ECM in accordance with the nomination deadlines set forth in 4.1(a), above.
- (f) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm Shipper's intra-day nomination) to a Shipper and/or Shipper's agent, Transporter shall use Electronic Communication.
- (g) Intra-day nominations shall be submitted and processed in accordance with the minimum standard timelines for intra-day nominations set forth in this Section 4.2(g), unless otherwise mutually agreed.

(1) The Intra-day 1 Nomination Cycle: (All times are CCT on the Service Day.)

10:00 a.m. Latest time that nominations may leave control of the nominating party;

10:15 a.m. Receipt of nominations by Transporter (including from TTTSPs);

10:30 a.m. Transporter sends quick response;

12:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

1:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from the Intra-day 1 Nomination Cycle shall be effective at 2:00 p.m. CCT on the same Service Day.

(2) The Intra-Day 2 Nomination Cycle: (All times are CCT on the Service Day.)

2:30 p.m. Latest time that nominations may leave control of the nominating party;

2:45 p.m. Receipt of nominations by Transporter (including from TTTSPs);

3:00 p.m. Transporter sends quick response;

5:00 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

5:30 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Intra-Day 2 Nomination Cycle shall be effective at 6:00 p.m. CCT on the same Service Day.

(3) The Intra-Day 3 Nomination Cycle: (All times are CCT on the Service Day)

7:00 p.m. Latest time that nominations may leave control of the nominating party;

7:15 p.m. Receipt of nominations by Transporter (including from TTSPs);

7:30 p.m. Transporter sends quick response;

9:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

10:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Intra-Day 3 Nomination Cycle shall be effective at 10:00 p.m. on the same Service Day. Bumping is not allowed during the Intra-Day 3 Nomination Cycle.

For purposes of Sections 4.2(g)(1), 4.2(g)(2) and 4.2(g)(3) “provide” shall mean, for transmittals pursuant to NAESB Standard No. 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (h) Bump Protection: Transporter shall not schedule an intra-day or hourly nomination change, if the result of scheduling such nomination would be to bump flowing and/or scheduled service under any firm primary or secondary service. Transporter shall give an intra-day nomination submitted by a firm Shipper priority over nominated and scheduled volumes for Shippers flowing volumes with a priority below secondary firm service. Transporter will not permit bumping of any services, including interruptible services, for intra-day nominations submitted after the Intra-day 2 Nomination Cycle deadline. Once all or a portion of a Shipper’s nomination is accepted and scheduled during any nomination period, such scheduled service shall not be interrupted unless: (1) such capacity is required to provide a higher priority service prior to the end of the Intra-day 2 Nomination Cycle as described in Section 4.2(g)(1) above; or (2) curtailment is necessary pursuant to the provisions of Section 6.2 of the General Terms and Conditions. Transporter shall provide bump notice to bumped Shippers by 1:00 p.m. CCT as to intra-day nominations submitted by the Intra-day 1 Nomination Cycle and by 9:00 p.m. CCT as to intra-day nominations submitted by the Evening Nomination Cycle, and by 5:30 p.m. as to intra-day nominations submitted by the Intra-day 2 Nomination Cycle. Transporter shall provide bump notice to the bumped Shippers by the notice procedures set forth in Section 13.5 of the General Terms and Conditions.

5. PRIORITY OF SERVICE

- 5.1 Transporter shall have the right to curtail or discontinue services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when capacity or operating conditions so require, or it is necessary to make modifications, repairs or operating changes to its system. Transporter shall provide Shipper notice of such curtailment as is reasonable under the circumstances. Notwithstanding anything to the contrary contained in this Section 5.1, Transporter will schedule routine repairs and maintenance in a manner that to the greatest extent possible will not disrupt the flow of quantities scheduled and confirmed in accordance with Section 4 of the General Terms and Conditions.
- 5.2 Throughput Scheduling Priority: For each nomination cycle, Transporter shall allocate throughput capacity pursuant to Section 6.1 of these General Terms and Conditions utilizing the priorities of service described below:
- (a) Priority Class One. Among Rate Schedule FTS nominations, including Backhaul contracts (contract designating a listed Primary Receipt Point as a Primary Delivery Point and designating a listed Primary Delivery Point as a Primary Receipt Point), where such nomination (or portion thereof) utilizes a Primary Receipt Point and Primary Delivery Point at which the nominated quantity is within the MDTQ and MDHTQ;
 - (b) Priority Class Two. Among Rate Schedule FTS nominations, including Backhaul contracts, where each nomination (or portion thereof) utilizes a Secondary Receipt Point and/or a Secondary Delivery Point at which the nominated quantity is within the MDTQ and MDHTQ. “Within the path” nominations (receipt and delivery points within the path established by the shipper’s Primary Receipt and Delivery Point) shall have priority over “Outside the Path” nominations (either the Receipt Point or Delivery Point or both lie outside of the path established by the shipper’s Primary Receipt and Delivery Point);
 - (c) Priority Class Three. Among Rate Schedule FTS nominations where each nomination (or portion thereof) is a Backhaul (a nomination on a Backhaul contract that has a direction of flow that is opposite of the contractual path is considered a backhaul for the purpose of scheduling priority);
 - (d) Priority Class Four. Incidental purchases and sales;
 - (e) Priority Class Five. Rate Schedule ITS, Rate Schedule PALS, Authorized Overrun Service ;
 - (f) Priority Class Six. Make-up Gas. Nominations by Rate Schedule FTS and ITS shippers to reduce imbalances are quantities not associated with

concurrent receipts or deliveries and will only be scheduled when supported by Transporter's ability to deliver extra gas from the pipeline system without a concurrent supply or to receive extra gas into the pipeline system without a concurrent delivery.

5.3 Overlapping Nominations

For the purposes of Sections 5.2 above, in the event that a Releasing Shipper and/or its Replacement Shipper(s) submit overlapping nominations which in sum exceed in any segment or at any point the level of entitlement for which the Releasing Shipper originally contracted, the relative priority of each nomination shall be determined first according to the scheduling procedures in Sections 5.2 of the General Terms and Conditions, as applicable, and then by applying the overlap priorities provided in the Releasing Shipper's offer to release capacity pursuant to Section 25.1(h)(15) of the General Terms and Conditions.

6. SCHEDULING AND CURTAILMENT

6.1 Scheduling Capacity During All Nomination Cycles.

- (a) Transporter shall allocate its pipeline capacity as well as each Receipt Point and each Delivery Point capacity on the basis of the priority classes listed in Section 5 above as follows:
 - (i) pro rata for Priority Class One nominations; then
 - (ii) pro rata for Priority Class Two; then
 - (iii) pro rata for Priority Class Three; then
 - (iv) Priority Class Four; then
 - (v) on the basis of Confirmed Price for Priority Class Five; then
 - (v) Make-up Gas for FTS Agreements, then Make-up Gas for ITS Agreements.
- (b) Ties within any Priority Class shall be allocated pro rata based on nominations.

6.2 Curtailment of Scheduled Volumes during a Day. If, at any time, Transporter determines that the capacity of its system, or portion(s) thereof, is insufficient to serve all scheduled service, or to accept the quantities of Gas tendered, capacity which requires curtailment shall be curtailed so as to provide the service which is feasible in the order prescribed for Scheduling in Section 6.1 above; provided, however, once scheduled, Priority Class Two and Priority Class Three will have the same curtailment priority as Priority Class One; and provided, further, if a capacity constraint occurs on the upstream or downstream system which results in a curtailment, the upstream or downstream operator shall determine the change in scheduled nominations of its Shippers. Such change in scheduled nominations shall be confirmed via the ECM. To enable prompt action in an emergency situation where capacity is insufficient, Transporter shall have the authority to take all necessary and appropriate actions, as then may appear necessary, to preserve the operational integrity of its system. Transporter shall notify Shippers of the existence of any such emergency situation by use of Electronic Communication, as soon as it is reasonably practicable.

6.3 Segmentation of Capacity by Nomination. Any Shipper receiving Transportation Service under Rate Schedule FTS, including any Releasing Shipper, shall have the right to segment its firm capacity by utilizing multiple Receipt Points and Delivery Points. The right to segment is subject to the requirement that a Shipper's firm capacity utilization pursuant to its Rate Schedule FTS Agreement and, if such Agreement is the result of capacity release, the firm capacity

utilization of all other Shippers of capacity rights derived from the initial Rate Schedule FTS Agreement, does not exceed, in the aggregate (based on all relevant Shipper firm capacity utilization), the contract entitlements of the initial Rate Schedule FTS Agreement in any Segment or at any point (including, without limitation, the relevant MDTQ) where the nominated Segments overlap. For the purpose of determining whether there is an overlap of MDTQ, a forward haul and a Backhaul nominated to the same Delivery Point at the same time shall not be deemed to be an overlap at that point. For the purpose of determining whether there is an overlap of MDTQ on a Segment, a forward haul and a Backhaul nominated on the same Segment at the same time shall be deemed to be an overlap on the Segment. As a general matter, Shipper will have the right to segment its capacity so long as it is utilizing its Primary Receipt Point(s) and Primary Delivery Point(s), as well as all Secondary Receipt Points and Secondary Delivery Points, as long as such use does not impair Transporter's ability to render firm Transportation Service, does not adversely affect Shippers' firm Transportation Service rights, and/or does not adversely affect the safe and reliable operation of Transporter's System.

6.4 Scheduling of Maintenance

Transporter shall have the right to curtail, interrupt, discontinue, or not schedule service in whole or in part on all or a portion of its system from time to time to perform repair and maintenance on Transporter's System as necessary to maintain the operational capability of Transporter's System or to comply with applicable regulatory requirements, except that Transporter shall not have the right to curtail service that Shipper has nominated and Transporter has scheduled in order to perform routine repair or maintenance. Transporter shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Shipper and shall provide reasonable notice of the same to Shipper.

7. DETERMINATION OF DAILY ALLOCATED RECEIPTS AND DELIVERIES

7.1 Allocation of Receipts/Deliveries. To the extent possible, all quantities received by Transporter each Service Day at a point of receipt shall be allocated in accordance with the scheduled and confirmed quantity at such point (Scheduled Receipts). For purposes of this section “overage” shall be defined as daily or monthly Scheduled Receipts in excess of actual daily or monthly measured quantities received, and “underage” shall be defined as daily or monthly Scheduled Receipts below actual daily or monthly measured quantities received. Overages and underages under this section shall include Prior Period Adjustments, as determined in accordance with Section 7.3. In the event actual quantities received by Transporter do not equal the Scheduled Receipts for such point, any overage or underage shall be allocated as follows:

- (a) To the extent Transporter has entered into an Operational Balancing Agreement as set forth in Section 20 below which covers the point of receipt, any overages or underages at such point of receipt shall not be allocated to Shippers, but shall be resolved in accordance with the OBA;
- (b) To the extent there is not an OBA for the subject receipt point, Transporter and the interconnecting party will agree as to which party is responsible for the predetermined allocation (“PDA”) and to the extent the interconnecting party has agreed to submit the PDA to Transporter, such PDA shall be provided under Section 7.2 below for the allocation period, Transporter shall allocate underages or overages in accordance with the PDA;
- (c) To the extent there is no OBA or PDA, Transporter shall allocate any overage or underage pro-rata based on scheduled and confirmed quantities at the receipt point.

7.2 Predetermined Allocation Statements. Any PDAs established by an upstream interconnecting party must be submitted to Transporter in writing or by Electronic Communications following the NAESB Standards before the first day of the allocation period in which the PDA is to be effective. To the extent an interconnecting party submits a PDA by Electronic Communication, Transporter shall send a Quick Response, as such term has been defined by NAESB, confirming the receipt of such PDA. The PDA shall specify how any underage or overage from the confirmed quantity is to be allocated at a contract or such lower level of detail which is provided on the nomination level. The PDA methods shall include ranked, pro rata, percentage, swing, and operator provided value, as such terms are used in the NAESB Standards and the PDA methods shall be available at any receipt point except those covered by on OBA. The PDA may require new allocation detail as nomination changes occur. Transporter shall be entitled to rely exclusively on an effective PDA in allocating gas received at a point and the interconnecting party holds Transporter harmless against actions taken and

allocations made in reliance upon such PDA. No retroactive changes to a PDA may be made unless Transporter and all affected parties agree in writing.

- 7.3 Prior Period Adjustments. In accordance with the provisions of Sections 2 and 11 of these General Terms and Conditions, Transporter shall use the best information available to close its allocation of quantities for a Service Month five (5) Business Days after such Service Month. To the extent that adjustments are made after the date of such close, such adjustments (“Prior Period Adjustments” or “PPA”) shall be treated under this Section 7.3. If the PPA is due to the correction of measurement data or allocations, such adjustments shall be processed within six (6) Months of the applicable Service Month. If the affected party disputes the as-adjusted quantity, it is entitled to rebut the basis for the PPA, but only if it does so within three (3) Months of the processing of the PPA. Notwithstanding the above-specified deadlines for processing/rebutting PPAs, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties’ other statutory or contractual rights shall not be diminished by this standard. In addition, for a period of up to six (6) months after the end of the applicable Service Month, Transporter will accept an adjustment for a scheduled nomination and/or allocation methodology provided that the requested change (i) is agreed upon in writing, including email, (or if such adjustment is within three (3) business days after the Gas Day in which such adjustment is requested, such adjustment must be agreed upon electronically in the ECM) by all affected upstream and/or downstream parties and Transporter and (ii) does not impact Transporter in a detrimental manner.
- 7.4 Unauthorized Gas. Gas that is received by Transporter during a Service Month at a Receipt Point for which there is no valid nomination shall be considered Unauthorized Gas. If Transporter receives Unauthorized Gas during a Service Month, it shall post such fact on the ECM, including the location and quantity of such Unauthorized Gas, for a period of thirty (30) Days after the end of the Service Month. The owner of such Unauthorized Gas may claim such Gas by informing Transporter in writing of such fact and by having the ownership verified by the Operator of the facilities upstream of the Receipt Point. Upon receiving a valid claim of ownership, Transporter shall first give the claimant the opportunity to move the Gas off of Transporter’s System upon payment of the applicable Transportation charges. Alternatively, the claimant may request payment of an amount (as full consideration, inclusive of taxes and any other amounts) equal to the product of the quantity of Unauthorized Gas times the Cashout Buy Price (as determined pursuant to Section 8.7 of the General Terms and Conditions) for the Service Month in which the Unauthorized Gas was received. If there is no valid claim for such Unauthorized Gas within such thirty (30) day posting period, Transporter shall be allowed to retain such Unauthorized Gas.
- 7.5 Conversion of Gas. Any party that takes Gas without Transporter’s authorization shall be liable for paying the Cashout Sell Price (as determined pursuant to

Section 8.7 of the General Terms and Conditions) for the Month in which the Gas was taken, in addition to any other costs, losses, and damages attributable to such taking, and any legal remedies otherwise available.

8. IMBALANCE RESOLUTION PROCEDURES

- 8.1 For the purposes of this Section 8, “Receipt” or “Receipts” shall mean quantities of Gas allocated pursuant to Section 7 of these General Terms and Conditions, net of Transporter’s Use, and “Delivery” or “Deliveries” shall mean quantities of Gas allocated pursuant to Section 7. After the end of each Service Month, Transporter shall render to Cashout Party a statement detailing any imbalance between Monthly Receipts and Monthly Deliveries under all of Cashout Party’s Transportation Agreements (“Imbalance Statement”). Such Imbalance Statement shall be rendered on an electronic basis by email notification to Cashout Party that the Imbalance Statement is available on Transporter’s ECM pursuant to Section 9 of these General Terms and Conditions.
- 8.2 Cumulative Daily Transportation Imbalances shall be subject to the following imbalance resolution procedures.
- (a) Definition of Transportation Imbalance: “Transportation Imbalance” shall mean the difference between a Shipper’s allocated Receipts, adjusted for Transporter’s Use, and allocated Deliveries under any firm or interruptible Agreement. All imbalances will be calculated on a daily basis and designated to be at the applicable Receipt Point.
 - (b) Definition of an Imbalance Due Cashout Party: “Due Cashout Party” shall mean that Deliveries under an Agreement at the Delivery Point are less than Receipts at the Receipt Point, adjusted for Transporter’s Use; such difference in quantity is “Due To” a Cashout Party (or its Agent).
 - (c) Definition of an Imbalance Due Transporter: “Due Transporter” shall mean that Deliveries under an Agreement at the Delivery Point exceed Receipts at the Receipt Point, adjusted for Transporter’s Use; such difference in quantity is “Due From” a Cashout Party (or its Agent).
- 8.3 Netting: For each Month, all cumulative Transportation Imbalances within an Operational Impact Area will be netted among each of Cashout Party’s firm and interruptible Agreements.
- 8.4 Trading: Posting and trading of the previous Month’s netted Transportation Imbalances will be allowed within each Operational Impact Area between imbalance agents (or the Cashout Party, if no imbalance agent exists) from the first calendar Day of the current Month until the end of the 17th Business Day of the current Month. Imbalances to be posted for trading should be authorized by the Cashout Party. Authorizations to post imbalances that are received by Transporter by 11:45 A.M. should be effective by 8:00 A.M. the next Business Day (Central Clock Time). Imbalances previously authorized for posting should be posted on or before the ninth Business Day of the Month. Transporter should provide the ability to view and, upon request, download posted imbalances.

Transporter should not be required to post zero imbalances. When trading imbalances, a quantity should be specified. Trading will be allowed only when (i) imbalances are within the same Operational Impact Area and (ii) the resulting trade will reduce the imbalances for each Cashout Party or its imbalance agent. Transporter shall allow Cashout Parties to trade imbalances with other Cashout Parties within the same Operational Impact Area if the two Cashout Parties' imbalances are offsetting balances such that the net imbalance for each Cashout Party after the completion of the trade would be reduced to a quantity closer to zero. Transporter should enable the imbalance trading process by receiving the request for imbalance trade, receiving the imbalance trade confirmation, sending the imbalance trade notification, and reflecting the trade prior to or on the next monthly Shipper Imbalance Statement or Cashout statement. After receipt of an imbalance trade confirmation, Transporter should send the imbalance trade notification to the initiating trader and the confirming trader no later than noon (Central Clock Time) the next Business Day. Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by Transporter.

- 8.5 Final Resolution of Transportation Imbalances: If Cashout Party has a Transportation Imbalance remaining after the close of the trading period, such Transportation Imbalance will be cashed out in accordance with the Cashout provisions set forth in Section 8 herein.
- 8.6 All balancing shall be based on the applicable Delivery Point within an Operational Impact Area. Cashout Party or its Agent(s) may nominate transactions (in accordance with Section 4 of the General Terms and Conditions) during the Month to correct Transportation Imbalances within an Operational Impact Area. Transporter's ability to receive or deliver imbalance quantities shall be dependent upon Transporter's physical operations, and Transporter is under no obligation to allow Receipt or Delivery of such quantities for resolution of Transportation Imbalances if it determines, such activity would jeopardize pipeline operations.
- 8.7 Cashout Provision. At the time Transporter tenders an invoice(s) to Cashout Party for Transportation Service during the previous Month, Transporter shall invoice Cashout Party, or credit Cashout Party's invoice, as appropriate, to resolve in cash any net Monthly Imbalance remaining between actual Receipts, adjusted for Transporter's Use, and actual Deliveries after the period during which the relevant Transportation Imbalance quantities have been subjected to the imbalance resolution mechanisms set forth in this Section 8. Transporter will send with each invoice an Imbalance Statement detailing the unresolved imbalance amount and detailing the amount due in accordance with the following calculations.
- (a) Cashout Price. The Cashout Sell Price shall be determined by use of the

highest daily “Midpoint” price for the Month as published in Platts Gas Daily “Daily Price Survey” for common prices for “Waha.” The Cashout Buy Price shall be determined by use of the lowest daily “Midpoint” price for the Month as published in Platts Gas Daily “Daily Price Survey” for common prices for “Waha”. The average Midpoint price shall be determined by the arithmetical average of Platts Gas Daily “Daily Price Survey” “Midpoint” price for “Waha” for the Month. Unless otherwise stated, all references to “Cashout Price” in these General Terms and Conditions refer to the “Midpoint” price contemplated in this Section 8.7(a).

If on any Day, the reported prices referenced above are not published, Transporter shall use the most recent Cashout Prices available or, if no such reported prices have been published for at least five (5) days, using another similar publication selected by Transporter, in its reasonable judgment, that is broadly published and widely accepted within the natural gas industry as a reliable source for the quotation of Gas prices.

- (b) Imbalance Due Transporter. In the event a Monthly Imbalance is an Imbalance Due Transporter, Transporter shall charge Cashout Party the Cashout Sell Price for such excess monthly Deliveries multiplied by the factors below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
5% to 20%	1.10
Greater than 20%	1.20

For OBA imbalances that are resolved pursuant to this Section 8, the calculation of Cashout charges relating to excess Deliveries shall also include a Transportation imbalance charge, which shall be calculated by multiplying the excess Delivery quantity by the actual weighted average of all applicable usage rates owed on all quantities of Gas delivered during the Month to that OBA Party.

- (c) Imbalance Due Cashout Party. In the event a Monthly Imbalance is an Imbalance Due Cashout Party, Transporter shall make a payment to the Cashout Party. Transporter may elect to make such a payment by providing a credit on the invoice. The payment due to the Imbalance Due Cashout Party shall be the Cashout Buy Price for such excess Receipts received multiplied by the factors below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
5% to 20%	0.90
Greater than 20%	0.80

For OBA imbalances that are resolved pursuant to this Section 8, the calculation of the amount due the Cashout Party relating to excess Receipts shall also include a Transportation imbalance credit, which shall be calculated by multiplying the excess Receipt quantity by the actual weighted average of all applicable usage rates owed on all quantities of Gas delivered during the Month to that OBA Party. Transporter shall have no responsibility for the distribution of funds beyond the initial distribution, in accordance with this resolutions procedure, to the Cashout Party.

- (d) A Cashout of Transportation Imbalances at prices above or below the average Midpoint price shall not occur if it has been determined that such Transportation Imbalances are due to Transporter's negligence. Additionally, a Cashout of Transportation Imbalances due to Imbalance Due Transporter quantities or Imbalance Due Cashout Party quantities shall be limited to the average Midpoint price if such imbalances occurred during circumstances of Force Majeure that directly affect the Transporter's or upstream or downstream facilities over which Gas is transported under the applicable Agreement, or during circumstances of Force Majeure that directly affect Shipper's facilities for the period until Shipper has an opportunity to adjust its nominations (Shipper shall give written notice within forty-eight (48) hours of such Force Majeure event), or were the direct result of an OFO issued to the Shipper or its supplier.

8.8 Cashout of Transportation Imbalances at Agreement Expiration. At the time of expiration of an Agreement, all Transportation Imbalances shall be resolved pursuant to the provisions of Section 8.7 above.

8.9 Annual System Cashout Mechanism. Transporter shall establish an annual mechanism to determine the costs of implementing this Cashout provision. Such mechanism shall calculate, on a system-wide basis, the annual gross balance (positive or negative) derived from the Cashout program, which will be accounted for and disposed of in accordance with Section 22.2 of the General Terms and Conditions.

9. BILLING

- 9.1 Transporter shall render an invoice(s) to Shipper for each Month for (i) all Transportation Services provided pursuant to this Tariff during the preceding Month; and (ii) any other charges for which Shipper is liable under the Tariff or Shipper's other obligations. Such invoice shall be delivered to Shipper or its agent by posting Shipper's final invoice on Transporter's ECM and posting a general notice of the availability of the final invoices on Transporter's Informational Postings Web site. Transporter will provide an e-mail notification, if an e-mail address has been designated by Shipper, contemporaneously with the posting of the final invoice on Transporter's ECM. It is the Shipper's responsibility to furnish to Transporter e-mail address information for receipt of invoices and to update such e-mail information as necessary. Shipper may designate an agent to receive invoices and may designate such agent to receive the e-mail notifications of the availability of Shipper's final invoice on Transporter's ECM.
- 9.2 The Imbalance Statement shall be rendered prior to or with the Transportation invoice(s), and the Transportation invoice(s) shall be prepared on or before the 15th Day after the end of the Service Month. If the 15th Day of the Service Month falls on a Saturday, Sunday or holiday that affects Transporter, Transporter shall prepare the invoice by the next Business Day. Rendered is defined as postmarked, time-stamped, and delivered to the designated site or designated as approved or final on the ECM. Prior Period Adjustment time limits shall be twelve (12) Months from the date of the initial Transportation invoice(s) with a 3-Month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Prior Period Adjustments shall be reported by production date, but do not have to be invoiced separately by production Month nor is each production Month a separate paper invoice page.
- 9.3 With respect to Cashout invoices, an Imbalance Statement and associated invoice shall be rendered in the second Month after the Monthly Transportation Imbalance occurs, which shall reflect the amount Due Transporter or a credit, to extent applicable, for the amount Due Cashout Party, as determined in Section 8 herein will be rendered with the Monthly Transportation invoice.
- 9.4 Both Transporter and Shipper shall have the right to examine at any reasonable time the applicable records of the other to the extent necessary to verify the accuracy of any statement made under or pursuant to the provisions of the Agreement. Upon receipt of a request, the recipient will either send the relevant information to the requestor or will provide the requestor the right to review such information in the recipient's offices.

10. PAYMENTS

- 10.1 All payments for invoices due to Transporter by Shipper shall be made by Shipper to a depository designated by Transporter via electronic funds transfers within ten (10) days of the day the invoice is rendered, (the “Payment Due Date”). Shipper shall submit any necessary supporting documentation with its payment except as provided below; Transporter shall apply payment per supporting documentation provided by Shipper, and if payment differs from the invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (“EFT”), in which case, the remittance detail is due within two Business Days of the payment date. Invoice number(s) shall be identified on all payments. If presentation of an invoice to Shipper is delayed after the 10th day of the Month, the Payment Due Date shall be extended by an equal number of days, unless Shipper is responsible for such delay.
- 10.2 Should Shipper fail to pay all of the amount of any invoice as herein provided, on or before the Payment Due Date, Shipper shall pay a charge for late payment which shall be included by Transporter on the next regular Monthly bill rendered to Shipper under this Section 10. Such charge for late payment shall be determined by multiplying (a) the unpaid portion of the invoice, by (b) the ratio of the number of days from the Payment Due Date to the date of actual payment to 365 (366 in a leap year), by (c) the interest rate determined in accordance with Section 154.501(d) of FERC’s regulations. If such failure to pay continues for 30 days after the Payment Due Date, Transporter, in addition to any other remedy it may have under the relevant Agreement, may terminate such Agreement and suspend further delivery of Gas, provided Transporter provides Shipper and the Commission with 30 days prior written notice of such termination and provided further such termination shall not be effective if, prior to the date of termination Shipper complies with the billing dispute procedure in Section 10.4 of the General Terms and Conditions of Transporter’s Tariff.
- 10.3 In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within 30 days of the determination of the error; provided that any claim therefore shall have been made within 60 days of discovery of such error and, in any event, within 6 Months from the date of the statement claimed to be in error. Billing errors shall be corrected as follows:
- (a) Where Shipper has been overcharged and has paid the statement, in the event the overcharge is not the result of Transporter’s negligence or bad faith, fraud or willful misconduct, the amount of the overpayment will be refunded to Shipper without interest provided the overpayment is refunded within 30 days. Overpayments not refunded within 30 days will be subject to interest charges at the interest rate determined in accordance with Section 154.501(d) of FERC’s regulations from the date of the overpayment to the date of the refund. Where the refund is provided to Shipper by way of credit on a subsequent invoice rendered to Shipper by

Transporter, the overpayment will be deemed to have been refunded on the date the credited invoice was received by Shipper.

- (b) Where Shipper has been undercharged by Transporter, Shipper will pay the amount of the undercharge without interest provided the undercharge is paid within 30 days. Undercharge amounts not paid within 30 days will be subject to interest charges at the interest rate determined in accordance with Section 154.501(d) of FERC's regulations from the date of the statement. Shipper shall have the right to review all records pertaining to its performance under Shipper's Agreement to verify the amount payable by Shipper to Transporter under the Agreement in any Month, so long as such review shall be completed within two years following the end of the calendar year in which such amount is payable. Such review shall be conducted during normal business hours, upon written request to Transporter and at Shippers' own expense.

10.4 If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. If Shipper in good faith:

- (a) disputes the amount of any such bill or part thereof;
- (b) pays to Transporter such amounts as it concedes to be correct;
- (c) provides Transporter with a written notice including a full description of the reasons for the dispute, together with copies of supporting documents; and
- (d) at any time thereafter within 30 days of a demand made by Transporter furnishes good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to suspend further services because of such non-payment pursuant to Section 10.2 unless and until default be made in the conditions of such bond.

10.5 In the event that Shipper does not pay the full amount due Transporter in accordance with this Section 10, Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, against any and all amounts or monies due or owing by Shipper to Transporter for Transportation Services provided.

10.6 Any payments received under this Section 10 shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principle, and lastly, to the most current principle due.

11. POSSESSION OF GAS

Unless otherwise provided in the Agreement or applicable Rate Schedule, as between Transporter and Shipper, Shipper shall be deemed to be in exclusive control and possession of the Gas (i) prior to receipt by Transporter at the Receipt Point(s) and (ii) after delivery by Transporter at the Delivery Point(s); otherwise, Transporter shall be in exclusive control and possession of the Gas. The party which shall be in exclusive control and possession of the Gas shall be responsible for all injury or damage caused thereby to any third party except any injury or damage caused by Gas provided by Shipper that fails to conform with the specifications set forth in Section 3 of these General Terms and Conditions. In the absence of bad faith or willful misconduct on the part of Transporter, Shipper waives any and all claims and demands against Transporter, its officers, employees or agents, arising out of or in any way connected with (i) the quality, use or condition of the Gas after delivery from Transporter for the account of such Shipper, (ii) any losses or shrinkage of Gas during or resulting from Transportation hereunder, and (iii) all other claims and demands arising out of Transporter's performance of its duties hereunder.

12. RECEIPT AND DELIVERY POINT PRESSURE

- 12.1 All Gas tendered by or on behalf of Shipper to Transporter will be delivered at Receipt Points at a pressure sufficient to enter Transporter's System up to Transporter's Maximum Allowable Operating Pressure. If Transporter and Shipper otherwise agree on the minimum receipt pressure at a Receipt Point(s), it will be set forth on Exhibit A of the Agreement.

- 12.2 Unless otherwise agreed to, Transporter will redeliver Gas at the Delivery Points nominated by Shipper at Transporter's prevailing line pressure of no less than 750 pounds per square inch, gauge pressure. If Transporter and Shipper otherwise agree on delivery pressures at a Delivery Point(s), it will be set forth on Exhibit B of the Agreement.

13. OPERATIONAL FLOW ORDERS (“OFOs”)

- 13.1 Notification of Conditions that May Require the Issuance of an OFO or Action Alert: Transporter shall provide prior notice, via posting on the ECM and to affected Shippers and point operators through Electronic Communication of upcoming events that may affect Transporter’s System such as anticipated weather patterns or operational situations that may necessitate the issuance of an OFO pursuant to this Section 13.
- 13.2 Circumstances Warranting Issuance of an Operational Flow Order: Transporter shall have the right to issue Operational Flow Orders as specified in this Section 13 that require actions by Shippers/point operators in order (1) to alleviate conditions that threaten to impair Transporter’s ability to provide reliable service, (2) to maintain pipeline operations at the pressures required to provide efficient and reliable service, (3) to have adequate Gas supplies in Transporter’s System to receive and deliver Gas consistent with its firm Transportation Service obligations, (4) to maintain Transportation Service to all firm Shippers and for all firm Transportation Services, and (5) to maintain Transporter’s System in balance for the foregoing purposes. Transporter shall lift any effective Operational Flow Order, promptly upon the cessation of operating conditions that caused the relevant system problem(s). Routine repairs and maintenance will not be used as a basis for issuing OFOs. Transporter will plan routine repairs and maintenance by scheduling such activities in advance.
- 13.3 Voluntary Actions to be Taken to Avoid Issuance of an Operational Flow Order: Transporter shall, to the extent practicable, take all reasonable actions necessary to avoid issuing an Operational Flow Order. Such actions may include (1) working with point operators to temporarily adjust, by mutual agreement, receipts and/or deliveries at relevant Receipt Point(s) or Delivery Point(s), (2) working with Shippers/point operators to adjust, by mutual agreement, scheduled flows on Transporter’s System, (3) issuing an Action Alert designed to mitigate the conditions which, if continued, would require the issuance of an Operational Flow Order, or (4) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Operational Flow Order, Transporter will have the right to issue Operational Flow Orders, if necessary, in the circumstances described in Sections 13.2 and 13.7.
- 13.4 Applicability of Operational Flow Orders or Action Alerts: Transporter shall issue an Operational Flow Order or Action Alert as localized as is reasonably practicable based on Transporter’s good faith judgment concerning the situations requiring remediation such that an Operational Flow Order or Action Alert will be directed (1) to Shippers/point operators causing the problem necessitating the Operational Flow Order or Action Alert or transporting Gas in the area of Transporter’s System in which there is an operational problem, and (2) to those Shippers/point operators transporting Gas in the area of Transporter’s System where action is required to correct the problem necessitating the Operational Flow

Order or Action Alert. Transporter will tailor the Operational Flow Order or Action Alert to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 13.6 and 13.7.

- 13.5 Notice: All Operational Flow Orders and Action Alerts will be issued via posting on the ECM to be followed by facsimile or telephone notification to the affected Shippers and point operators and notification to the affected parties through Electronic Communication. The Operational Flow Order/Action Alert will set forth (1) the time and date of issuance and effectiveness, (2) the actions a Shipper/point operator is required to take, (3) the time by which a Shipper/point operator must be in compliance with the Operational Flow Order/Action Alert, (4) the anticipated duration of the Operational Flow Order/Action Alert, and (5) any other terms that Transporter may reasonably require to ensure the effectiveness of the Operational Flow Order or Action Alert. Each Shipper and point operator must designate one or more persons, but not more than three persons, for Transporter to contact on operating matters at any time, on a 24-Hour a day, 365-day a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters. If Transporter cannot contact any Shipper/point operator because that Shipper/point operator has failed to designate a contact person or Shipper’s/point operator’s contact person is unavailable, Transporter shall not be responsible for any consequences that result from its subsequent actions taken to alleviate the system problem. Transporter, however, will make reasonable continuing efforts to notify the affected Shipper/point operator. In addition to the other information contemplated by this Section 13.5, such notice shall also include information about the status of operational variables that determine when an Operational Flow Order or Action Alert will begin and end, and Transporter shall post periodic updates of such information, promptly upon occurrence of any material change in the information. Transporter will post a notice on the ECM informing the Shipper/point operator when any Operational Flow Order or Action Alert in effect will be cancelled and specifying the factors that caused the Operational Flow Order or Action Alert to be issued and then lifted, to the extent such factors are known.
- 13.6 Action Alerts: In the event that, in Transporter’s judgment, action is required to avoid a system integrity issue, Transporter may issue Action Alerts.
- (a) Issuance of Action Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section 13.5 and will be issued a minimum of four hours, or such shorter period of time as Transporter deems reasonable under the circumstances, prior to the required action by the Shipper/point operator.
 - (b) Required Actions: Action Alerts can be issued to effect any of the following:

- (i) curtailment of interruptible services;
- (ii) restrictions of receipts or deliveries at specific Receipt or Delivery Point(s) covered by an Operational Balancing Agreement to the aggregate MDTQ under the firm Agreements whose Primary Receipt Points and/or Primary Delivery Points are at the affected locations;
- (iii) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert; and/or
- (iv) any action required to maintain the integrity of Transporter’s System.

13.7 Operational Flow Orders: In the event that (1) Shipper/point operator does not respond to an Action Alert, or (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, Transporter may periodically take unilateral action, including the curtailment of firm Transportation Service, to maintain the operational integrity of Transporter’s System (or any portion thereof). For purposes of this Section 13.7, the operational integrity of Transporter’s System shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. Notice of an Operational Flow Order will be provided pursuant to and in accordance with Section 13.5 above.

13.8 Penalties: If a Shipper/point operator fails to comply with an Action Alert or Operational Flow Order, the Shipper/point operator shall be subject to a penalty as follows:

Action Alert penalty for each Dekatherm of Gas by which Shipper/point operator deviated from the requirements of the Action Alert equal to the product of 200% times the average Cashout price as determined pursuant to Section 8.7(a) of these General Terms and Conditions, for each Day that said Action Alert is in effect.

Operational Flow Order penalty for each Dekatherm of Gas by which Shipper/point operator deviated from the requirements of the Operational Flow Order equal to the product of 500% times the average Cashout price as determined pursuant to Section 8.7(a) of these General Terms and Conditions, for each Day that said Operational Flow Order is in effect.

Any penalty revenues received by Transporter as a result of the operation of Section 13.8 above will be credited pursuant to Section 23.3 of the General Terms and Conditions.

- 13.9 Liability of Transporter: Transporter shall not be liable for any costs or damages incurred by any Shipper/point operator in complying with an Action Alert or an Operational Flow Order. Transporter shall not be liable for any costs or damages that result from any interruption in Shipper’s/point operator’s service that is a result of a Shipper’s/point operator’s failure to comply promptly and fully with an Action Alert or Operational Flow Order. Shipper/point operator shall indemnify Transporter against any claims of liability, provided, however, that Transporter shall use reasonable efforts to minimize any such costs or damages.

14. WARRANTY OF TITLE

- 14.1 This section shall apply to all service unless otherwise provided in the applicable Rate Schedule or Agreement.
- 14.2 Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery of Gas hereunder, good title to the Gas it delivers, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances and claims whatsoever, that it will indemnify the Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of Gas and that it will indemnify the Transporter and save it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery.
- 14.3 If Shipper's title or right to deliver Gas to be transported is questioned or involved in any action, Shipper shall not qualify for or shall be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this Tariff if Shipper furnishes a bond satisfactory to Transporter.
- 14.4 Title to the Gas received by Transporter at the Receipt Point(s) shall not pass to Transporter, except that title to Gas delivered for Transporter's System fuel and uses and Gas lost and unaccounted for shall pass to Transporter upon delivery at the Receipt Point(s).

15. FORCE MAJEURE

15.1 If either Transporter or Shipper fails to perform any obligations under an Agreement due to an event of Force Majeure, such failure shall be deemed not to be a breach of such obligations and neither party shall be liable in damages or otherwise as a result of an event of Force Majeure. A party that fails to perform any obligations under an Agreement where such failure is caused by an event of Force Majeure shall promptly remedy the cause of the Force Majeure insofar as it is reasonably able to do so.

15.2 Notwithstanding the above provisions, no event of Force Majeure shall:

- (a) relieve any party from any obligation or obligations pursuant to an Agreement after the expiration of a reasonable period of time within which, by the use of its due diligence, such party could have remedied or overcome the consequences of such event of Force Majeure; or
- (b) relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule, subject to any credit provided for in the applicable Rate Schedule.

16. NOTICES

Except when the terms of this Tariff require or allow for communication via the ECM, any communication, notice, request, demand, statement, or bill provided for in the Tariff or in an Agreement or OBA, or any notice which either Transporter or Shipper may desire to give to the other, shall be in writing and shall be considered as duly presented, rendered, or delivered when mailed by either post-paid registered or ordinary mail or when sent by express mail service, or such other method mutually agreed upon between the parties, including Electronic Communication. The material so sent shall be addressed to the pertinent party at its last known post office address, or at such other address as either party may designate.

17. MODIFICATION

No modification of the terms and provisions of an Agreement shall be made except by the execution of written contracts.

18. WAIVER

- 18.1 Transporter may waive any of its rights or any obligations of Shipper hereunder as to any specific right or obligation that has already arisen or in advance as to any specific, temporary issue on a case-by-case basis that is not unduly discriminatory.
- 18.2 No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

19. SCHEDULES AND CONTRACTS SUBJECT TO REGULATION

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under an Agreement, are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law.

20. OPERATIONAL BALANCING AGREEMENTS (“OBAs”)

- 20.1 For the purposes of minimizing operational conflicts between various natural Gas facilities with respect to the delivery of Gas to and from Transporter’s facilities, Transporter may negotiate and execute on a not-unduly discriminatory basis mutually agreeable OBAs with appropriate parties that operate natural Gas facilities interconnecting with Transporter’s System (hereinafter “OBA Party”). Transporter must enter into OBAs at all points of interconnection between its system and the system of another interstate or intrastate pipeline. Such OBAs shall specify the Gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of scheduled quantities to be received by Transporter at Receipt Point(s) and delivered by Transporter at Delivery Point(s). Such OBAs will provide that any variance between actual quantities and scheduled quantities at the point where the OBA is in place for any Day shall be resolved pursuant to the terms of the OBA. To facilitate such determination of variances on a timely basis, Transporter and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Transporter shall post on the ECM a list of those Receipt Point(s) and Delivery Point(s) at which an OBA is in effect.
- 20.2 Transporter shall have no obligation to negotiate and execute OBAs with any OBA Party that:
- (a) is not creditworthy as determined pursuant to Section 27 of the GT&C; for purposes of such provision, references to Shipper shall refer to the OBA Party;
 - (b) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;
 - (c) would cause the level of regulation which Transporter is subject to prior to the execution of the applicable OBA to increase; or
 - (d) does not commit to timely determination of variances based on reasonable available measurement technology; or
 - (e) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.
- 20.3 If Receipt Point Operators or Delivery Point Operators have not executed an OBA with Transporter as described in Section 20.1, then any variance between actual quantities and scheduled quantities for any Day for that Receipt or Delivery Point shall be cumulated for the Month for the Shipper(s) responsible for the imbalance, and such Monthly Imbalances will be subject to the Cashout of Monthly Imbalances as set forth in Section 8 herein.
- 20.4 Resolution of OBA Imbalance: Transporter and the OBA Party shall resolve any

imbalances in accordance with the procedures set forth in the OBA. Unless otherwise agreed, OBA imbalances shall be resolved on a monthly basis by Cashout mechanism.

- 20.5 Nothing in this Section 20 nor any executed OBA shall limit Transporter’s rights to take action as may be required to adjust receipts and deliveries under any Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter’s System, including maintenance of service to higher priority Shippers and/or services.

21. NEW FACILITIES POLICY

- 21.1 Unless otherwise mutually agreed to by the parties, Transporter shall not be required to own, construct and install any facilities to perform any service requested by a Shipper under this Tariff. In the event Transporter agrees to own, construct and install facilities to perform services requested including, but not limited to, hot tap, side valve, measurement, Gas supply lateral lines, looping and/or compression facilities, Transporter shall do so on a not unduly discriminatory basis. Shipper shall reimburse Transporter (a) for the costs of such facilities installed by Transporter to receive, measure, transport or deliver natural Gas for Shipper's account and (b) for any and all filings and approval fees required in connection with such construction that Transporter is obligated to pay to the Commission or any other governmental authority having jurisdiction. Nothing in this Section 21 shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this Section 21, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act.
- 21.2 Transporter may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in Section 21.1 if it determines that construction of the facilities would be economic to Transporter, based on Shipper assurance of Transportation throughput through the proposed facilities and other matters, as described below. All requests for waiver shall be handled by Transporter in a manner which is not unduly discriminatory. For purposes of determining whether a project is economic, Transporter will evaluate projects on the basis of various economic criteria, which may include, without limitation, the estimated Transportation throughput, cost of the facilities, operating, maintenance, administrative and general expenses attributable to the facilities, the system net revenues Transporter estimates will be generated subsequent to such construction, and the availability of capital funds on terms and conditions acceptable to Transporter. In estimating the system net revenues to be generated, Transporter will evaluate the existence of capacity limitations of the existing facilities, the marketability of the capacity, the location of the markets, the nature of the Transportation service, and other factors which impact the utilization of Transporter's System.
- 21.3 Any monetary reimbursement due Transporter by Shipper pursuant to this Section 21 shall be due and payable to Transporter prior to Transporter's commencement of construction of facilities to be constructed unless otherwise agreed by Transporter and within ten (10) days of receipt by Shipper of Transporter's invoice(s) for same; provided, however, subject to Transporter's written consent, such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of any Agreement for service between Transporter and Shipper. Carrying charges shall be computed utilizing interest factors acceptable to both Transporter and Shipper.

Unless Transporter and Shipper otherwise agree on interest factors for computing the carrying charges for new facilities, the interest rates determined by the Commission under Section 154.501(d) of the Commission's regulations shall apply.

- 21.4 In order to maintain and expand service and utilization of Transporter's System, Transporter may negotiate Agreements with Shippers in connection with which Transporter could make a contribution in aid of construction ("CIAC") to the Shipper. The Shipper would use such funds to assist in the development of its natural Gas related facilities. For any newly agreed to CIAC, Transporter will post on the ECM for a period of thirty (30) days (1) the amount of the CIAC, (2) the name of the Shipper receiving the CIAC, and (3) the economic feasibility of the CIAC. Such CIACs are includible in Transporter's jurisdictional rate base and amortizable. All CIACs entered into pursuant to this provision shall be subject to review and challenge by the Commission and all parties in a general rate case requesting inclusion of such costs.

22. PERIODIC RATE ADJUSTMENTS

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

22.1 Transporter's Use.

- (a) The initial Transporter's Use (%) will be calculated based upon appropriate engineering principles. After one year of operation and each June 1 thereafter commencing in 2018, Transporter's Use (%) may be re-determined by dividing Transporter's projection for the next 12 Months beginning June 1 of fuel usage and any lost and unaccounted-for Gas by Transporter's projection of applicable deliveries for the account of Shippers for the next 12 Months beginning June 1. The annual redetermination of Transporter's Use (%) will go into effect on June 1. Transporter may file to redetermine Transporter's Use (%) at such other times as Transporter in its reasonable discretion determines necessary based upon operating or other conditions.
- (b) Pursuant to Section 22.2, Transporter shall maintain a separate System Balancing Adjustment account. This account shall be credited for all sales of excess fuel collected under Transporter's Use, debited for all purchases for Transporter's Use and further adjusted for the operational activities enumerated in Section 22.2(a). The under- or over-realization of in-kind compensation gas shall be recorded as a debit or a credit, as the case may be, each Month in the System Balancing Adjustment account. A monetary value shall be assigned to the volume debited to the System Balancing Adjustment account based on amounts paid by Transporter in obtaining gas to support the under realization of in-kind compensation gas. Furthermore, a monetary value shall be assigned to the volume credited to the System Balancing Adjustment account, as determined pursuant to Section 8.7 of the General Terms and Conditions, for purposes of resolving imbalances incurred during the Month.

- (c) To extent that Transporter installs compression facilities powered by electricity or other facilities and Transporter incurs costs relating to the provision of such electricity service, Transporter shall establish an Electric Charge Adjustment which shall recover the actual costs of providing such electricity service. Transporter shall file to recover such cost in conjunction with its Transporter's Use (%) filing made with the Commission.

22.2. System Balancing Adjustment. In order to maintain an operational system balance on its system, Transporter will calculate a system balancing adjustment ("SBA") charge.

- (a) Transporter's SBA balance shall be the sum of:
 - (1) The net annual system Cashout balance determined in accordance with Section 8 of the General Terms and Conditions and OBA cashouts;
 - (2) The net Transporter's Use Adjustment balance, determined in accordance with Section 22.1 of the General Terms and Conditions;
 - (3) Any other account balance as may be approved by the FERC.
- (b) The net SBA balance determined in Section 22.2(a), through January 31 of the year in which the filing pursuant to Section 22.2(c) is made will be refunded or recovered from Shipper pursuant to the procedures in this Section 22.2. Upon determining the net SBA balance at the end of the accumulation period, Transporter shall calculate surcharges or refunds designed to allocate such balance to Shippers based upon each Shipper's actual throughput during the twelve-month accumulation period. A Shipper's net debit or credit for the accumulation period shall be due and payable sixty (60) Days after the Commission's acceptance of the filing pursuant to Section 22.2(c). Notwithstanding the immediately preceding sentence, if the net SBA balance results in a surcharge/debit, each Shipper who is allocated a surcharge/debit shall have the right by providing notice to Transporter within the sixty (60)-day period to elect to pay the surcharge/debit ratably over the twelve (12)-Month period, commencing with the first day of the first calendar month following the last Day of the sixty (60)-day period, with interest calculated for each payment from the end of the sixty (60)-day period until the payment is made (at the rate set forth in Section 154.501(d) of the Commission's regulations).
- (c) Transporter shall file on May 1 of each year and each year thereafter, to establish the SBA refund or surcharge determined pursuant to the procedures in this Section 22.2.

23. PENALTIES AND PENALTY CREDITING MECHANISM

23.1 Unauthorized Gas

In the event that Transporter receives penalty revenue from a Shipper as the result of the application of Section 7.4 (Unauthorized Gas) of the General Terms and Conditions, Transporter shall credit the penalty revenue received, net of costs, to any firm or interruptible Shipper that did not cause the Unauthorized Gas to be on the system, the Non-Offending Shipper, pursuant to Section 7.4 of the General Terms and Conditions in the Month for which penalty revenues were received, based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. Such credits shall be made within 90 days following each anniversary of the initial in-service date of Transporter's System and shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

23.2 Conversion of Gas

In the event that Transporter receives penalty revenue from a Shipper as the result of the application of Section 7.5 (Conversion of Gas) of the General Terms and Conditions, Transporter shall credit the penalty revenue received, net of costs, to any firm or interruptible Shipper that did not cause the Conversion of Gas, the Non-Offending Shipper pursuant to Section 7.5 of the General Terms and Conditions in the Month for which penalty revenues were received, based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. Such credits shall be made within 90 days following each anniversary of the initial in-service date of Transporter's System and shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

23.3 Action Alert/Operational Flow Order Penalties

Any penalty revenue collected by Transporter pursuant to Section 13.8 of the General Terms and Conditions will be credited, net of costs, to any firm or interruptible Shipper that did not incur penalties, the Non-Offending Shipper, pursuant to Section 13.8 of the General Terms and Conditions in the Month for which penalty revenues were received, based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. Such credits shall be made within 90 days following each anniversary of the initial in-service date of Transporter's System and shall include interest at the rate determined in accordance with Section 154.501 of FERC's regulations.

23.4 Rate Schedule PALS penalties.

(a) Penalty for PALS Non-compliance. In the event that a Shipper incurs a

penalty pursuant to Section 4.1(b) of Rate Schedule PALS, which section is applicable if a Shipper does not comply with Transporter's notice given pursuant to Section 4.1(a) of Rate Schedule PALS to either remove Park service quantities or to return Loan service quantities, Transporter shall credit the penalty revenue, net of costs, to any firm or interruptible Shipper that did not incur a penalty pursuant to Section 4.1(b) of Rate Schedule PALS in the Month for which penalty revenues were received, based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. Any penalty revenue credited pursuant to this section shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

- (b) **Balances Remaining Upon PALS Contract Termination.** In the event that Transporter receives penalty revenue from a PALS Shipper as the result of the application of Section 4.2 of Rate Schedule PALS to such PALS Shipper's unresolved balance, Transporter shall credit the penalty revenue received, net of costs, to any firm or interruptible Shipper that did not incur a penalty pursuant to Section 4.2 of Rate Schedule PALS in the Month for which penalty revenues were received, based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. Any penalty revenue credited pursuant to this section shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

24. ELECTRONIC COMMUNICATION MECHANISM (“ECM”)

24.1 Internet Website. Transporter has established an Internet Website which shall function as the ECM and which provides for the timely transfer of all electronic information provided and electronic transactions conducted by and between Transporter and its Shippers and potential Shippers. The Internet Website will be available on an open and non-discriminatory basis to any party. Transporter shall provide timely and equal access to information available on its Internet Website. Public information posted on the Internet Website will be available without password usage; however certain areas of the Internet Website contain information specific to individual Shippers and other parties and require user-id and password access. Any such Shipper or other party desiring such access shall execute the Internet Website Agreement contained in this Tariff. Transporter shall maintain records of all the information displayed on the Internet Website in accordance with Commission requirements.

24.2 The Internet Website will include informational postings set forth below in accordance with NAESB Standard 4.3.23 as well as items required to be posted in accordance with Section 284.13 of the Commission’s regulations including reports on firm and interruptible service, the index of customers, capacity and flow information, location codes, and Receipt Points and Delivery Points, and other information Transporter chooses to post in furtherance of the operation of its system. The Internet Website will provide information regarding:

- (a) Capacity – Operationally available and unsubscribed capacity available for firm Transportation Service (1) at Receipt Points, (2) on the mainline, and (3) at Delivery Points;
- (b) Gas Quality
- (c) Index of Customers
- (d) Locations
- (e) Notices
- (f) Posted Imbalances
- (g) Regulatory
- (h) Standards of Conduct
- (i) Tariff
- (j) Transactional Reporting

24.3 Information found on the Internet Website can be electronically downloaded to a

file. Information on the most recent entries shall appear ahead of older information. Transporter may purge transactional reporting after a minimum posting time of ninety (90) days. Information that has been purged from the Website will be archived and may be retrieved from archives and made available in electronic format.

25. CAPACITY RELEASE PROVISIONS

This section sets forth the terms and conditions that are applicable to the release of firm entitlements under various services that are provided pursuant to this Tariff.

25.1 Procedure. Capacity released shall be subject to the terms and conditions of this Section 25.1.

- (a) Eligibility. Any Shipper (“Releasing Shipper”) under Rate Schedule FTS of this Tariff, shall be entitled, subject to the terms and conditions of this Section 25.1, to release any or all of its firm Transportation entitlements held under an Agreement, but only to the extent that the capacity so released is acquired by another Shipper (“Replacement Shipper”) pursuant to the provisions of this Section 25.1.
- (b) The sum of the firm entitlements for a given point or Segment across a releasing Agreement and its replacement Agreement(s) shall not exceed the corresponding firm entitlement of the releasing Agreement.
- (c) Released Capacity shall be made available on a basis that is not unduly discriminatory, and any Replacement Shipper shall be entitled to acquire Releasing Shipper’s capacity subject to the terms and conditions under this Section 25.1, provided the Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner. A Replacement Shipper shall be entitled to release acquired capacity to another Replacement Shipper, subject to the requirement that the original Replacement Shipper satisfies all of the provisions of this Section 25.1 as if such Replacement Shipper were a Releasing Shipper, and the new Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner, provided, however, that a Replacement Shipper that acquired released capacity through a volumetric bid shall not be entitled to re-release that capacity.
- (d) Term. Any release under this Section 25 shall not extend beyond the expiration of the initial primary term of the Agreement that is released.
- (e) Recall / Reput Rights.
 - (1) Recall Provisions.

Releasing Shipper’s rights to recall capacity on a full Day or partial Day basis shall be stated clearly in Shipper’s Notice. Purchase of Gas by a Releasing Shipper from a Replacement Shipper at the Releasing Shipper’s Primary Delivery Point(s) shall not be deemed to be the exercise of a recall by the Releasing Shipper.

The Releasing Shipper shall provide capacity recall notification to Transporter via the ECM. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled.

Transporter shall support the following recall notification periods for all released capacity subject to recall rights:

Timely Recall Notification:

- A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 A.M. CCT on the day that Timely Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 A.M. CCT on the day that Timely Nominations are due;

Early Evening Recall Notification:

- A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 P.M. CCT on the day that Evening Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 P.M. CCT on the day that Evening Nominations are due;

Evening Recall Notification:

- A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 P.M. CCT on the day that Evening Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 P.M. CCT on the day that Evening Nominations are due;

Intraday 1 Recall Notification:

- A Releasing Shipper recalling capacity should provide

notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 A.M. CCT on the day that Intraday 1 Nominations are due;

- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 A.M. CCT on the day that Intraday 1 Nominations are due; and

Intraday 2 Recall Notification:

- A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 12:00 P.M. CCT on the day that Intraday 2 Nominations are due;
- Transporter should provide notification of such recall to all affected Replacement Shippers no later than 1:00 P.M. CCT on the day that Intraday 2 Nominations are due.

Intraday 3 Recall Notification:

- A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 4:00 P.M. CCT on the day that Intraday 3 Nominations are due;
- Transporter should provide notification of such recall to all affected Replacement Shippers no later than 5:00 P.M. CCT on the day that Intraday 3 Nominations are due.

For recall notification provided to Transporter prior to the recall notification deadline specified above and received between 7:00 A.M. CCT and 5:00 P.M. CCT, Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Transporter after 5:00 P.M. CCT and prior to 7:00 A.M. CCT, Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 A.M. CCT after receipt of such recall notification.

Transporter's notices of recalled capacity to all affected Replacement Shippers shall be provided via ECM to the individual the Replacement Shipper identified in the Replacement Shipper's bid submitted pursuant to Section 25.1(i) of these General Terms and Conditions. Such notices shall contain the information required to uniquely identify the capacity being recalled and shall indicate whether penalties will apply for the Gas Day for which

quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Transporter, each affected Replacement Shipper shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Shipper will be solely responsible for adjusting its supply and Transportation arrangements, which may be necessary as a result of such recall. Replacement Shippers involved in re-release transactions may receive notice slightly after the first Replacement Shipper receives notice. The recalling Releasing Shipper may nominate the recalled capacity consistent with the applicable nomination cycle, pursuant to Section 4 of these General Terms and Conditions.

If, on the Day of a partial day recall, the quantity of Gas delivered to the Replacement Shipper is in excess of the MDTQ remaining on the replacement contract after the partial day recall and/or the quantity of Gas delivered to the Releasing Shipper that recalled the capacity is in excess of the MDTQ recalled by the Releasing Shipper, then the Shipper(s) to whom such excess Gas is delivered will be charged the applicable Authorized Overrun Rate pursuant to Section 7 of Rate Schedule FTS on such excess quantities of Gas in addition to all other applicable charges.

(2) Partial Day Recall Quantity.

The daily contractual entitlement that can be recalled by a Releasing Shipper for a partial day recall is a quantity equal to the lesser of:

- (i) The quantity specified in the Releasing Shipper's notice to recall capacity; or
- (ii) The difference between the quantity released by the Releasing Shipper and the Elapsed Pro rata Capacity.

In the recall notification provided to Transporter by the Releasing Shipper, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Pro rata Capacity. In the event of an intra-day capacity recall, Transporter shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Pro rata Capacity only in the case of (ii) above.

The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released quantity less the recalled capacity.

This allocated daily contractual quantity shall be used for purposes of nominations, billing, and if applicable, for overrun calculations. As a result of the allocation of capacity described in this section, Transporter shall not be obligated to deliver a combined quantity to the Releasing Shipper and the Replacement Shipper(s) that is in excess of the total daily contract quantity of the release.

(3) Reput Provisions.

Transporter shall support the function of Reputting by the Releasing Shipper. The Releasing Shipper may Reput previously recalled capacity to the Replacement Shipper pursuant to the Reput rights and methods identified in the Releasing Shipper's notice to release capacity, as required by Section 25.1(h)(10) below. When capacity is recalled, such capacity may not be Reput for the same Gas Day. The deadline for the Releasing Shipper to notify Transporter of a Reput of capacity is 8:00 A.M. CCT to allow the Replacement Shipper to submit timely nominations for Gas to flow on the next Gas Day.

- (f) Bidding Period. Releasing Shipper may specify the date and time that the Bidding Period starts and the date that the Bidding Period ends, provided, however, that the Bidding Period shall not commence or end any later than the times set forth in Section 25.1(g) below. Releasing Shipper's offer shall be posted for the Bidding Period; provided, however, that the Releasing Shipper will have the right to withdraw its Releasing Shipper's Notice any time prior to the close of the Bid Period associated with such Releasing Shipper's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing Shipper's Notice have been made.

Offers should be legally binding until notice of withdrawal is received by Transporter via the ECM. Transporter should post offers and bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter should support such request insofar as it comports with the standard Capacity Release timeline specified in Section 25.1(g) below. Releasing Shipper shall not be allowed to specify an extension of the original bid period or the prearranged deal match period without posting a new release.

- (g) The capacity release timeline applies to all parties involved in the capacity release process provided that (1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered, (2) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the

corresponding bid(s) according to the timeline, and (3) there are no special terms or conditions of the release. Transporter may complete the capacity release process on a different timeline if Releasing Shipper's offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Transporter).

(1) For biddable releases (one (1) year or less):

- Offers should be tendered by 9:00 a.m. on a Business Day;
- Open season ends no later than 10:00 a.m. on a Business Day (evaluation period begins at 10:00 a.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- Evaluation period ends and award posting if no match required at 11:00 a.m.;
- Where match is required, match or award is communicated by 11:00 a.m., match response occurs by 11:30 a.m., and the award is posted by 12:00 noon;
- Contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(2) For biddable releases (more than one (1) year):

- Offers should be tendered by 9:00 a.m. on a Business Day;
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
- Evaluation period begins at 10:00 a.m. during which contingency is eliminated, determination of Best Bid is made, and ties are broken;
- Evaluation period ends at 10:00 a.m. ends and award posting if no match required at 11:00 a.m.;
- Where match is required, match or award is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., the award is posted by 12:00 noon.
- Contract issued within one hour of award posting (with a new contract number, when applicable); nomination

possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

- (3) For non-biddable releases:

Timely Cycle:

- Posting of prearranged deals not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

Timely Cycle	12:00 Noon
Evening Cycle	5:00 p.m.
Intraday 1 Cycle	9:00 a.m.
Intraday 2 Cycle	1:30 p.m.
Intraday 3 Cycle	6:00 p.m.

- Contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

- (4) Notwithstanding the standard timelines specified in Section 25.1(g)(3) above, Transporter shall support a process to allow the Releasing Shipper and the Prearranged Shipper to create and finalize prearranged non-biddable capacity release transactions to be effective for a given Gas Day at any time prior to 7:00 a.m. CCT on the calendar day on which that Gas Day ends.

- (h) Required Information for the Release of Capacity. The Releasing Shipper shall submit the following information, objectively stated and applicable to all potential Shippers on a non-discriminatory basis, to Transporter via the ECM:

- (1) The Releasing Shipper's legal name, contract number, and the name, e-mail address and phone and fax number of the individual who will authorize the release of capacity for the Releasing Shipper.
- (2) Whether the capacity is biddable.
- (3) The level of daily firm entitlements that the Releasing Shipper elects to release, expressed as a numeric quantity per Day for Transportation, which will be displayed in the ECM posting for prospective Replacement Shippers as the available MDTQ.
- (4) The Transportation Path(s) or Segment within such Transportation

Path(s), and quantity to be released.

- (5) The requested effective date and the term of the release.
- (6) The minimum acceptable period of release and minimum acceptable quantities (if any).
- (7) The Releasing Shipper's maximum reservation rates (including any demand type surcharges, direct bills, or similar mechanisms), any minimum rate requirement, and whether bids are to be submitted on a reservation or volumetric basis. The Releasing Shipper shall specify which one of the following methods is acceptable for bidding on a given capacity release offer:
 - Non-index-based release - dollars and cents,
 - Non-index-based release - percentage of maximum rate, or
 - Index-based formula as detailed in the capacity release offer.

The bids for the given capacity release offer shall adhere to the method specified by the Releasing Shipper. The bidder may bid the maximum reservation rate, in Transporter's tariff or general terms and conditions, as an alternative to the method specified by the Releasing Shipper, except when the release is index-based for a term of one year or less. The maximum and minimum rates may separately identify surcharges and direct bills, or such amounts can be included in the total rate. For purposes of this Section 25, the maximum reservation rate(s) for Shipper paying a Negotiated Rate will be deemed to be the Maximum Recourse Rate(s) as set forth on the Statements of Rates; provided that any maximum and/or minimum rate specified by the Releasing Shipper can exceed the maximum tariff rate for the applicable service if (i) the term of the proposed release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Transporter is notified of the release.

- (8) Whether the Releasing Shipper is requesting that Transporter actively market the capacity to be released.
- (9) The legal name of the Replacement Shipper that is designated in any pre-arranged release ("Prearranged Shipper").
- (10) Whether the capacity is to be released on a recallable basis, and, if so, (i) the terms and conditions of such recall, including whether it is recallable on a full Day or a partial Day basis, (ii) whether the Releasing Shipper's recall notification must be provided

exclusively on a Business Day, (iii) which recall notification period(s), as identified in Section 25.1(e) above, will be available for use by the parties, and (iv) any Reput methods and rights associated with returning the previously recalled capacity to the Replacement Shipper.

- (11) Whether the capacity to be released is contingent on the release of other capacity, or on certain terms and conditions, and if so, the capacity, terms and/or conditions upon which the release is contingent.
- (12) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring Transportation on a pipeline interconnected to Transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the capacity if the next winning contingent bidder declines the release.
- (13) For the capacity release business timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: (1) highest rate, (2) net revenue and (3) present value. For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. Transporter may also support an alternative Releasing Shipper defined bid evaluation method pursuant to Section 25.1(h)(14) below; provided, however, that Transporter shall not be required to process the capacity release transaction using the standard process timeline should the Releasing Shipper elect an alternative method of bid evaluation.
- (14) At the Releasing Shipper's option and in lieu of Transporter implementing the Best Bid determination stated in Section 25.1(l), the Releasing Shipper may state the bid evaluation method. Such bid evaluation method shall be objectively stated, applicable to all Replacement or Prearranged Shippers and not unduly discriminatory and shall enable Transporter to rank the bids received by utilizing the weight assigned by the Releasing Shipper to each element of the Releasing Shipper's Notice.
- (15) The priorities that Transporter is authorized to utilize in the event

that overlapping nominations submitted by the Releasing Shipper and any Replacement Shipper are in excess of the Releasing Shipper's original MDTQ.

- (16) Whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations or to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations, and, if the proposed release is part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect.
- (17) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder.

Transporter shall not be liable for information provided by Releasing Shipper to Transporter, including any such information that is posted on the ECM.

- (i) Open Bidding Process. Prospective Shippers wishing to acquire capacity available for release ("Bidding Shipper"), shall place a bid on the ECM for the available capacity during the Posting Period. If such bid is not expressly labeled as a contingent bid, such bid shall be binding. The bid shall contain the following information:
 - (1) The Bidding Shipper's legal name and the name, phone number and e-mail address of the individual who will authorize the acquisition of the available capacity.
 - (2) The level of daily firm entitlements that the Bidding Shipper requests and the minimum quantity it will accept.
 - (3) The requested effective date and the term of the acquisition.
 - (4) The Bidding Shipper's bid, addressing all criteria required by the Releasing Shipper. The Bidding Shipper shall be entitled to withdraw its bid via the ECM prior to the end of the bidding period. Bidding Shipper cannot withdraw its bid after the Bidding Period ends. If Bidding Shipper withdraws its bid, it may not resubmit a lower bid. If Bidding Shipper submits a higher bid, lower bids previously submitted by Bidding Shipper will be automatically eliminated. A Bidding Shipper may have only one valid bid posted. Transporter shall post all information provided by Bidding Shippers, except the information provided in Section 25.1(h)(1), above.

No bid shall exceed the applicable Maximum Recourse Rates, in addition to any and all applicable fees and surcharges, as specified in this Tariff; provided that the rate specified by the Bidding Shipper may exceed the maximum tariff rate for the applicable service if (i) the term of the proposed release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Transporter is notified of the release. The quantity or the requested term of the release of such bid shall not exceed the maximum quantity or primary term specified in the executed Agreement.

- (j) **Pre-Arranged Release.** Releasing Shipper shall have the right to elect not to post a release for bidding (1) if the proposed capacity release has a duration of thirty-one (31) days or less and Releasing Shipper has obtained a Prearranged Shipper, (2) for proposed capacity releases with a term of more than one (1) year for which Releasing Shipper has obtained a Prearranged Shipper and the Prearranged Shipper is paying the Maximum Recourse Rate and all other terms and conditions of the release are met, (3) for any release of capacity to an asset manager (as defined in Section 284.8(h)(3) of the Commission's regulations), or (4) for any release of capacity to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations. If Releasing Shipper exercises such right, Releasing Shipper must notify Transporter prior to the nomination of the released entitlements, and the Replacement Shipper shall adhere to the requirements set forth in Section 25.2. Releasing Shipper will post the information on the ECM by 9:00 a.m. the Day before the release transaction begins. The Replacement Shipper shall confirm the prearranged release by 9:30 a.m. and meet any eligibility requirements under this Section 25. Transporter will support the creation of prearranged deals on the ECM.
- (k) **Matching Rights.** A Prearranged Replacement Shipper shall have matching rights for a period of thirty (30) minutes following the time the Prearranged Shipper has been notified of the winning bid ("Matching Period"). In the event a higher bid is received, Transporter shall provide the Prearranged Shipper an opportunity during the Matching Period to match such higher bid. No later than 2:00 p.m. CT of the Day prior to the Day nominations are due, the Prearranged Shipper shall be notified via the ECM of the terms and conditions of the higher bid, and shall have the Matching Period to respond via the ECM. Absent a response from the Prearranged Shipper by 2:30 p.m. CT of the Day prior to the Day nominations are due, the capacity shall be awarded to the higher Bidding Shipper no later than 3:00 p.m. CT of the Day prior to the Day nominations are due.

- (l) Awarding of Capacity Available for Release. Capacity will be awarded no later than 3:00 p.m. CT of the Day prior to the Day nominations are due. The capacity available for release shall be awarded to the Bidding Shipper with the highest bid (“Best Bid”) matching all terms and conditions provided by the Releasing Shipper. If multiple bids meet the minimum conditions stated in the Releasing Shipper’s Notice, Transporter shall award the capacity, best bid first, until all offered capacity has been awarded. If bids are received that do not match all the terms and conditions provided by the Releasing Shipper, bids will be evaluated by the criteria provided by the Releasing Shipper. If no criteria are provided by the Releasing Shipper, the Bidding Shipper bidding the highest present value shall be awarded the capacity. Present value shall be determined based on a 10% discount rate. The ultimate awarding of capacity will be posted on the ECM by 3:00 p.m. CT on the Day prior to the Day nominations are due.

Transporter shall not award capacity release offers to the Replacement Shipper until and unless the Replacement Shipper meets Transporter’s creditworthiness requirements applicable to all services that it receives from Transporter, including the service represented by the capacity release.

- (m) Remaining Capacity. In the event that a Releasing Shipper does not release all of its firm entitlements, the Releasing Shipper shall remain responsible for the remaining entitlements and is entitled to utilize the remaining entitlements with the MDTQ reduced accordingly by the released capacity quantities.
- (n) No Rollover. When a release of capacity for a period of thirty-one (31) Days or less is not subject to the bidding requirements under this Section 25.1, a Releasing Shipper may not rollover, extend, or in any way continue the capacity release to the same Replacement Shipper which utilizes the same capacity or overlaps such capacity using the thirty-one (31) Days or less bidding exemption described in Section 25.1(j)(1) above until twenty-eight (28) Days after the first release period has ended. The twenty-eight (28) Day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 25.1(j) above.
- (o) Obligations of Replacement or Prearranged Shippers. The Replacement or Prearranged Shipper must satisfy all other provisions of this Tariff governing Shipper eligibility and must execute all required agreements and acknowledgements before it may contract with Transporter for the released capacity. In addition, as a pre-requisite to becoming a Replacement or Prearranged Shipper, a party must have been placed by Transporter on Transporter’s pre-approved bidder list that is posted on the

ECM. To be placed on such list, a party must have been accepted by Transporter as satisfying the credit standards of Section 27 of these General Terms and Conditions, must have executed a replacement shipper agreement as such may be provided by Transporter and must continue to satisfy the credit standards of Section 27 when its bid is made and accepted or it is offered as a Prearranged Shipper, as applicable. Transporter shall process requests for credit approval with diligence. Any previously listed party that fails to continue to satisfy the standards of Section 27 shall be deleted from the list. Transporter will waive the credit requirements of Section 27 on a non-discriminatory basis for Replacement or Prearranged Shipper and permit such Replacement or Prearranged Shipper to submit bids, if the Releasing Shipper provides Transporter with a guarantee or other form of credit assurance in form and substance satisfactory to Transporter of all financial obligations of the Replacement or Prearranged Shipper with respect to the capacity being released by Releasing Shipper prior to the commencement of service to the Replacement or Prearranged Shipper if the release is pre-arranged and not subject to bidding or prior to the close of the bid period if the release is subject to bidding requirements of this Section 25. Any bid submitted will legally bind the Replacement or Prearranged Shipper to the terms of the bid if Transporter chooses such bid as the Best Bid until notice of withdrawal is received by Transporter via the ECM. Bids cannot be withdrawn after the bid period ends. Once the Replacement or Prearranged Shipper is awarded capacity, the Replacement or Prearranged Shipper becomes an existing Shipper like any other Shipper and is subject to the applicable provisions of Transporter's Tariff, including, but not limited to, Transporter's billing and payment and operational provisions.

In addition, the Replacement or Prearranged Shipper as an existing Shipper may also release its capacity pursuant to this Section 25. Nominations may be submitted upon the award of capacity, and such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 4 and 6 of these General Terms and Conditions; provided, however, in no circumstances will Gas flow prior to the effective date of the release as specified in the Releasing Shipper's Notice.

25.2 Obligations of the Parties.

- (a) **Contractual Obligations.** All Replacement Shippers shall be required to comply with the provisions of Rate Schedule FTS and these General Terms and Conditions and to accept by a release all Transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including, but not limited to, nominations and Transportation Paths. Furthermore, the Releasing Shipper shall remain fully liable to Transporter for all reservation rates, including reservation type surcharges

and direct bills that were due under the Releasing Shipper's Agreement. In the event that the Replacement Shipper invoiced amounts for reservation rates are in arrears by 60 days or more, the Releasing Shipper shall be responsible for paying all such amounts with the next invoice rendered to the Releasing Shipper by Transporter.

- (b) Billing. Pursuant to Sections 9 and 10, Replacement Shipper shall be billed for all reservation type charges contained within its bid and all usage charges according to Section 3 of Rate Schedule FTS.
- (c) Credits. Except as otherwise agreed to between Transporter and Releasing Shipper, Releasing Shipper shall receive a credit against its Monthly Reservation Charges equal to the amount of reservation rates contained within the Replacement Shipper's bid subject to the obligations of Releasing Shipper under Section 25.2(a).
- (d) Refunds. Releasing Shipper and any Replacement Shipper must track any changes in Transporter's rates approved by the Commission. In the event the Commission orders refunds of any such rates charged by Transporter and previously approved, Transporter and/or Releasing Shipper, as the case may be, must make corresponding refunds to such Releasing Shipper or any Replacement Shipper, to the extent that Releasing Shipper or Replacement Shipper(s) has paid a rate in excess of Transporter's just and reasonable, applicable Maximum Recourse Rates. Transporter shall assume no liability or responsibility whatsoever for the failure of the Releasing Shipper to comply with its obligations under this Section 25.2(d). Releases not subject to the maximum rate cap will be deemed to be a final rate and are not subject to refund if the effective date of the release was on or before one (1) year from the date on which Transporter was notified of the release.

25.3 Posting of Purchase Offers. Transporter shall allow a potential Replacement Shipper to post for at least thirty (30) days its offers to acquire released firm entitlements. The offer must contain the following information:

- (a) The potential Replacement Shipper's legal name and the name, title, address, phone number and e-mail address of the individual who will authorize the acquisition of the available capacity.
- (b) The daily quantities of capacity which the potential Replacement Shipper requests.
- (c) The Receipt Points and/or Delivery Points where capacity is requested, as applicable.
- (d) The requested effective date and the term of the acquisition.

- (e) The maximum rate(s) that the potential Replacement Shipper will pay for the service.
- 25.4 Marketing Fee. Transporter shall be entitled, upon Releasing Shipper's request, to actively market the capacity available for release on Releasing Shipper's behalf. Transporter and Releasing Shipper will negotiate the terms and conditions upon which Transporter will market the Releasing Shipper's capacity.
- 25.5 Permanent Releases. A Shipper which has a currently effective executed Agreement with Transporter under Transporter's Rate Schedule FTS may release, pursuant to the procedures specified in this Section 25, all or any part of its firm capacity to a Replacement Shipper for the remaining primary term of the contract and be relieved of all liability under its Agreement prospectively from the effective date of such release, provided that the following conditions are satisfied:
- (a) The Replacement Shipper submits a request for service electronically via the ECM and executes a new Agreement under the applicable Rate Schedule;
 - (b) The Replacement Shipper agrees that the minimum bid acceptable to Transporter shall be a bid for the remainder of the term of Releasing Shipper's Agreement at the rate(s) Releasing Shipper is obligated to pay Transporter for the capacity to be permanently released and accepts all obligations of the Releasing Shipper;
 - (c) The Replacement Shipper meets all of the creditworthiness requirements contained in Section 27 of the General Terms and Conditions of Transporter's Tariff.
 - (d) Transporter may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Shipper via e-mail and shall include in the notification the reasons for such denial.
- 25.6 Transporter's Rights to suspend and/or Terminate Temporary Capacity Release Transactions.
- (a) In the event of a temporary release for which: (i) the Releasing Shipper no longer maintains creditworthiness as outlined in Section 27 of Transporter's General Terms and Conditions and Transporter has terminated Releasing Shipper's Agreement; and(ii) the reservation charge specified in the applicable replacement agreement is less than the level of the reservation charge which the Releasing Shipper was obligated to pay Transporter (or, if the Releasing Shipper is paying a Negotiated Rate, the sum of all reservation-type and commodity-type charges), then

Transporter shall be entitled to terminate the service described in the replacement agreement, upon 30 days' written notice to the Replacement Shipper, unless the Replacement Shipper agrees, at its sole election, prior to the end of said 30-day notice period to pay for the remainder of the term specified in the replacement agreement one of the following: (i) the reservation and commodity charges at levels which the Releasing Shipper was obligated to pay Transporter, (ii) the applicable Maximum Recourse Rate, or (iii) such rate as mutually agreed to by Transporter and Replacement Shipper.

- (b) In the event of a temporary release for which the Replacement Shipper no longer satisfies Transporter's credit requirements as set forth in Section 27 of the General Terms and Conditions: (i) Transporter may notify the Releasing Shipper, without any liability or prior notice to Replacement Shipper, that the Replacement Shipper no longer meets the credit requirements of Transporter's Tariff; and (ii) subject to Transporter exercising its rights under Section 27 of the General Terms and Conditions to suspend and/or terminate such capacity release transaction, the firm capacity subject to the release transaction shall revert to Releasing Shipper immediately upon the effectiveness, and for the duration, of such suspension or permanently if the release transaction is terminated.

25.7 Notices to Releasing Shippers. Transporter shall provide the original Releasing Shipper notification by Electronic Communication reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following:

- (a) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Transporter's Tariff;
- (b) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
- (c) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- (d) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's Tariff.

25.8 Index-based Capacity Release Transactions

- (a) For index-based capacity release transactions, Releasing Shipper must specify which one of the following methods is acceptable for bidding on a given index-based capacity release offer:
- a percentage of the formula,

- a dollars and cents differential from the formula,
- a dollars and cents differential from the Rate Floor, or
- an approved methodology in Transporter's tariff, if any.

When bidding is based upon a dollars and cents differential from the Rate Floor, the invoiced rate for the award shall be calculated as the greater of (i) the result of the formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed Transporter's maximum reservation rate, if applicable.

Releasing Shipper may specify another method in the special terms and conditions; however, the capacity release offer may not be processed within the capacity release timeline specified in Section 25.1(g) above.

- (b) For index-based capacity release transactions, Transporter shall support a Rate Floor to be specified by Releasing Shipper in the capacity release offer.
- (c) Unless otherwise specified in the Transporter's tariff, for index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed Transporter's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

If the resulting monthly reservation rate exceeds Transporter's maximum reservation rate, as applicable, Transporter's maximum reservation rate shall be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor shall be used for invoicing.

- (d) For invoicing of volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds Transporter's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, Transporter's maximum reservation rate or the Rate Floor, respectively, shall apply.
- (e) Transporter shall support two non-public price index references that are representative of Receipt and Delivery Points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, Transporter shall support all price indices it references in its FERC Gas Tariff. In addition, Transporter shall evaluate those publicly available

price index references requested by its Shippers that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points. Further:

- (1) The identity of all supported price index references shall be posted on Transporter's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s).
- (2) Upon request of a Shipper holding capacity that can be released on Transporter's System, Transporter, in consultation with its Shippers, shall review the price index references (including publicly available price index references), and update the price index references to reflect the agreed upon results of that consultation. All parties shall act reasonably and in good faith in the review process. Transporter shall not unreasonably withhold agreement to such proposed changes. Such review should occur no more frequently than annually.
- (3) Releasing Shippers requesting the use of price index references not supported by Transporter will be responsible for providing/maintaining adequate license(s)/subscription(s) for Transporter for such additional price index reference(s) such that Transporter is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such license(s)/subscription(s) shall, at a minimum be for the term of the initial release(s) that use such index references or until such index reference becomes generally supported by Transporter as referenced above. These price index reference(s) will then be supported by Transporter and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and their identity(ies) posted on Transporter's Informational Postings Web site.
- (4) Regarding paragraphs (2) and (3) above, Transporter reserves the right, in its own discretion, to review any license(s)/subscription(s) that would legally bind Transporter and to evaluate the legal propriety of same as it pertains to Transporter. Transporter may, with reasonable cause, require modification of the license(s)/subscription(s) to resolve its concerns relative to any license(s)/subscription(s) that would legally bind Transporter.
- (5) Each party involved in an index-based release activity assumes no liability for the use of price index information by other parties to the release. Transporter's support of any price index reference

does not make it responsible for ensuring that Releasing Shipper(s) or Replacement Shipper(s) possesses any license(s)/subscriptions(s) that may be required to use such price index reference.

- (f) For index-based capacity release transactions, upon mutual agreement between Releasing Shipper and Transporter, Releasing Shipper shall provide Transporter and Replacement Shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by Transporter to Replacement Shipper pursuant to the capacity release award. The results of Releasing Shipper's calculations shall conform to the capacity release award and/or to Transporter's minimum and maximum reservation rates, as applicable.
- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation shall be provided in a mutually agreed upon format no later than the second Business Day of the Month following the transportation under the release.
 - For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation shall be provided in a report pursuant to Section 25.8(i) below.

If the report is not provided by the applicable deadline above or is deficient, Transporter will notify Releasing Shipper to provide Transporter with a correct report within one Business Day. Thereafter, in the absence of a conforming report, Transporter will invoice Replacement Shipper the greater of the Rate Default specified in the capacity release offer or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to Transporter by both Releasing Shipper and Replacement Shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards and the provisions of Section 6 of these General Terms and Conditions.

- (g) For index-based capacity release transactions, the rate to be used in the invoice shall be the greater of:
- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Rate Default specified in the capacity release offer), or

- the Rate Floor plus any differential as specified in the capacity release award.

The rate used in the invoice shall not be greater than Transporter's maximum reservation rate, as applicable.

- (i) For index-based capacity release transactions, Transporter shall support the ability of Releasing Shipper to specify in the capacity release offer a non-biddable Rate Default. The Rate Default cannot be less than the Rate Floor, if any.
- (j) For volumetric index-based capacity release transactions, where Releasing Shipper performs invoicing calculations pursuant to Section 25.8(f) above, Transporter shall provide allocated quantities to Releasing Shipper according to a mutually agreed upon timetable. Releasing Shipper shall have at least one Business Day to process the quantities prior to returning such invoicing information to Transporter in a tabular format.

Transporter shall provide the allocated quantities to Releasing Shipper in a tabular file to be described by Transporter. The first row of the file shall contain the column headers and data shall begin on the second row of the file. In addition, the first column shall contain the applicable Gas Day(s).

26. PROCEDURES FOR CONTRACTING FOR AND ABANDONMENT OF SERVICE

26.1 Specific requests for information concerning service(s) should be directed to:

Double E Pipeline, LLC
Attention: Director – Business Development
910 Louisiana Street
Suite 4200
Houston, TX 77002

Email: DoubleECommercial@summitmidstream.com
Telephone (832) 413.4770

Transporter shall provide the requested information orally, or in writing, as appropriate.

26.2 Requests for Service.

(a) Persons desiring a new service or an amendment to existing service under one of Transporter's Rate Schedules set forth in Volume No. 1 of Transporter's FERC Gas Tariff must be a ECM user pursuant to Section 24 of these General Terms and Conditions and must submit a request for service electronically via the ECM. Persons submitting a bid for firm service under one of Transporter's Open Access Rate Schedules pursuant to Section 28 of the General Terms and Conditions must submit the bid electronically via the ECM.

(b) A request for a new service or an amendment to an existing service shall contain the information identified on the Request for Service Information List posted on Transporter's Internet Website, as such list may be amended from time to time. Requests to amend existing service that will affect a Shipper's financial obligations to Transporter, without regard to the impact of any applicable discount or Negotiated Rates, are referred to as Billing Amendments. Requests to amend existing service that will not affect a Shipper's financial obligations to Transporter, without regard to the impact of any applicable discount or Negotiated Rates, are referred to as Non-Billing Amendments. A Shipper requesting a new service or an amendment to existing service shall also provide the following to Transporter:

(1) Either at the time of the request for new service or an amendment to existing service is submitted to Transporter or at the time of execution of the Agreement, such other information (if any), in writing, as may be required to comply with regulatory reporting or filing requirements; and

(2) Within ten (10) Business Days of the submittal of the request for

new service or a request for a Billing Amendment, any credit information required to be provided pursuant to Section 27 of the General Terms and Conditions.

- (c) If Shipper does not submit the information required in Section 26.2(b) above within the required timeframes, the request for service shall be rejected by Transporter. In addition, Transporter shall reject any request for service created in the ECM by Shipper, but not submitted to Transporter within ninety (90) days of Shipper's creation of such request.
- (d) Neither a request for new service nor a request that would result in a Billing Amendment shall be deemed to have been received by Transporter until Shipper has submitted such request online via the ECM and Transporter has received the information required or requested pursuant to this Section 26.2 and Section 27 of the General Terms and Conditions. A request that would result in a Non-Billing Amendment shall be deemed to have been received on the date such request is submitted in the ECM. If Transporter requests additional information or assurance in accordance with Sections 26.2 and 27 herein, and such additional information or assurance is received within ten (10) Business Days of Transporter's request, Shipper's request for service shall be deemed to have been received on the date on which Shipper's additional financial information is received by Transporter; otherwise, Shipper's request for service shall be rejected by Transporter.

26.3 All firm Transportation requests for service shall be subject to the following conditions:

- (a) No request for Transportation from a Primary Receipt Point or to a Primary Delivery Point shall be considered valid or be granted if to do so would impair Transporter's ability to render existing services pursuant to Transporter's firm service rate schedule(s).
- (b) The date of request for such Shipper's new Receipt Point(s) and/or Delivery Point(s) shall be the date on which Shipper submits the fully completed request for such new Receipt Point(s) and/or Delivery Point(s). However, requests for amendments to any Agreement to increase a daily quantity or change or add a new Receipt Point(s) and/or Delivery Point(s) will be considered a new request for purposes of complying with Section 26.2(d) herein, if such request would result in a Billing Amendment as defined in Section 26.1(b) above.

26.4 Execution of Agreement and Amendments.

- (a) An Agreement and/or an amendment to an existing Agreement shall be executed, as specified in this Section 26.4, by Shipper and Transporter

following the completion of the approval process.

- (b) All interruptible Agreements, all interruptible Agreement amendments, firm Agreements with a term of one (1) year or less, and all amendments for firm Agreements with a term of one (1) year or less shall be executed electronically via the ECM by Shipper and Transporter; any agreement that is executed in full utilizing electronic transmission through the ECM is a valid and enforceable contract that is binding on all parties. All firm Agreements with a term of more than one (1) year and all amendments to firm Agreements with a term of more than one (1) year shall be executed in writing. An Agreement shall be executed and, if executed in writing returned to Transporter, within fifteen (15) days of the tender of an Agreement by Transporter. In the event Shipper fails to submit a valid nomination for Transportation pursuant to an interruptible Agreement within ninety (90) days after the later of (i) the date service is to commence, (ii) the date the Agreement is fully executed by Shipper and Transporter, or (iii) the date that the facilities, if any, to be constructed are ready for service, the Agreement and the corresponding Transportation request for service shall be considered null and void.
- (c) For each of Transporter's firm Rate Schedule(s), the Agreement executed in writing or electronically via the ECM, as applicable, by Shipper and Transporter, the Exhibit(s) executed in writing or electronically via the ECM, as applicable, by Shipper and Transporter, the applicable rate schedule, the General Terms and Conditions of this FERC Gas Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Shipper and Transporter.
- (d) For each of Transporter's interruptible Rate Schedule(s), the Agreement executed by Shipper and Transporter, the Exhibit(s) executed by Shipper and Transporter, the applicable rate schedule, the General Terms and Conditions of this FERC Gas Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Shipper and Transporter.

26.5 Extension of Agreements. Prior to the expiration of the term of a Part 284 Agreement and prior to Transporter's posting the availability of capacity under Transporter's Right of First Refusal provisions, if applicable, Transporter and Shipper may mutually agree to an extension of the term of the Agreement (the exact length of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

26.6 Allocation of Available Firm Capacity

- (a) Firm capacity that is or becomes available on Transporter's System from time to time shall be allocated pursuant to this Section 26.6.

- (1) Firm capacity will be allocated to that request(s) generating the highest net present value to Transporter. Net present value will be determined based on the discounted cash flow of revenues to Transporter produced, lost, or affected by the request(s) for service. In determining the highest net present value, Transporter will consider objective criteria only. Such criteria may include, without limitation, the maximum contract quantity requested, the term of the service requested, the date on which the requested service would commence, and such other objective criteria available based on the requests for service received by Transporter. The net present value evaluation shall include only revenues generated by the reservation rate component except that under a negotiated rate agreement with a minimum quantity or bill, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity or bill. In determining the highest net present value in connection with a Shipper paying a negotiated rate higher than the maximum recourse rate, such negotiated rate Shipper will be deemed to be paying a rate equal to the maximum recourse rate. In making the determination of net present value, Transporter shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.
- (2) For requests for firm service with a term of less than ninety (90) days, Transporter shall have the right, but shall not be obligated, to post on its ECM notice of request(s) for service received and prescribe a period of time ("open season") for receiving additional requests to be evaluated contemporaneously.
- (3) For requests for firm service with a term equal to or greater than ninety (90) days, Transporter shall conduct an open season for the purpose of receiving additional requests to be evaluated contemporaneously.
- (4) To the maximum extent possible, Transporter will attempt to structure any such open season posting pursuant to this Section 26.6(a) so as not to identify specifically the Shipper or potential Shipper submitting the request and/or the specific location of the market(s) to be served.
- (5) For any open season conducted pursuant to this Section 26.6(a), such open season shall be held for a minimum of (i) one (1) Business Day for service offerings with a term of less than ninety (90) days; or (ii) five (5) Business Days from the posting of the notice of request for service for the capacity or fifteen (15) Business Days from the date the capacity in question was first

posted as being available for contracting, whichever is the later calendar date, for service offerings with a term of ninety (90) days or longer. In no event shall the open season be for a period greater than one (1) calendar month. All open seasons shall end at 2:00 p.m. CT not less than one (1) Business Day prior to the date service would be available.

- (6) Notice of Pre-arranged Capacity. Transporter may pre-arrange with any Shipper for the sale of available firm capacity. Transporter will post the pre-arranged transaction on its Internet Website for a period of three (3) Business Days (Bid Period). Other Shippers may submit competing bids for the capacity pre-arranged by Transporter during the Bid Period. All bids shall be evaluated according to the terms and net present value method set forth in Section 26.6(a)(1) of the General Terms and Conditions. If no higher offer is received during the Bid Period, the pre-arranged Shipper shall be awarded the capacity. If a higher offer is received, the pre-arranged Shipper will be permitted to match the offer and receive the capacity from Transporter. If the pre-arranged party does not elect to match the highest offer, the party making the highest offer will be awarded the capacity.
- (7) Any Shipper desiring to place a bid for any capacity posted pursuant to this Section 26.6 must submit its bid online via the ECM.
- (8) In the event that Transporter receives two (2) or more requests for service which produce an equivalent net present value, whether during an open season or otherwise, any available capacity will be allocated between or among such requests on a pro rata basis; provided, however, if one or more party(s) is offered capacity on a pro rata basis pursuant to this Section 26.6(a) and any party declines, by notifying Transporter in writing, to contract for such capacity, such party's request shall be rejected by Transporter and the available capacity will be reallocated among such requests which produce an equivalent net present value. A party's notification to decline to enter into a contract for the capacity shall be submitted to Transporter online via the ECM.
- (9) Transporter shall post the winning request(s) and the method of evaluating such request(s) on the ECM within twenty-four (24) hours after the award of capacity.
- (10) In the event that the "best bid" is based upon a bid rate that is less than the applicable maximum tariff rate, Shipper must submit a discount request online via the ECM and receive approval from

Transporter pursuant to the provisions of Section 35 of these General Terms and Conditions in order for the bid rate to become effective.

- (11) In addition to the procedures set forth in this Section 26.6(a), Transporter shall have the right, but shall not be obligated, from time to time to hold open seasons for potential expansion projects or for available capacity for which no request has been received. During any such open season, Transporter shall allocate the capacity subject to such open season on the basis of the highest net present value to Transporter, as determined pursuant to the method described in Section 26.6(a)(1).
- (12) To the extent Transporter has (i) available capacity or (ii) capacity under expiring or terminating Agreements where such capacity is not subject to a right of first refusal or shipper does not exercise its right of first refusal, Transporter reserves the right, but shall not be obligated, to reserve such capacity for a future expansion project. Transporter may reserve capacity for a future expansion project for which an open season has been held or will be held within twelve (12) months of the date that Transporter posts such capacity as being reserved. Any capacity reserved pursuant to this Section 26.6(a)(12) must first be posted as available capacity on Transporter's Web Site for at least five (5) Business Days. Such posting will indicate that Transporter plans to reserve the posted capacity for a future expansion project to the extent that the posted capacity is not acquired by Shippers during the open season for capacity to be reserved.

Any minimum terms and conditions imposed in an open season for capacity to be reserved must not materially differ so as to be more restrictive than the terms and conditions imposed in the expansion project open season. In the event that a subsequent expansion project open season imposes minimum terms and conditions that are materially different from the minimum terms and conditions imposed for the reserved capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season.

Any capacity reserved under this Section 26.6(a)(12) may be reserved for up to twelve (12) months prior to the time Transporter files for certificate approval for proposed construction of a related project and thereafter until all expansion facilities are placed into service. Any capacity reserved under this Section 26.6(a)(11) shall be made available, pursuant to the provisions of Section

26.6(a)(13) of these General Terms and Conditions, for transportation service on an interim basis up to, but not including, the in-service date of the related expansion project(s). For such interim service, Transporter reserves the right to limit any Customer's renewal rights that might otherwise apply to such service, including Customer's right of first refusal, if applicable. Any capacity reserved for a future expansion project that does not go forward for any reason shall be reposted as generally available within thirty (30) days of the date the capacity becomes available.

- (13) Interim Service. Capacity that is under contract for a future period pursuant to 26.6(a)(12) or this Section 26.6(a)(13) will be made available on an interim basis up to the service commencement date of such contract for a future period ("Interim Capacity"). The availability of Interim Capacity, including any limitations on the renewal rights for such capacity, will be posted on Transporter's ECM in accordance with Section 26.6(a)(5). Any party desiring to submit a bid for such Interim Capacity must submit its bid online via the ECM in accordance with the provisions of Section 26.6(a)(6). Such Interim Capacity shall be available for bidding for at least five (5) business days. Transporter shall award the Interim Capacity and post a notice of the winning bid(s) on the ECM, in accordance with Sections 26.6(a)(8) through 26.6(a)(10). The right of first refusal will not be applicable to any service agreement entered into pursuant to this Section 26.6(a)(13).
- (b) Pipeline will post available capacity before it provides such information to any potential Shipper.
- (c) Transporter reserves the right to reject any request for service (i) at less than maximum rate, (ii) which may detrimentally impact the operational integrity of Transporter's system, (iii) which does not satisfy all the terms of a specific posting and/or (iv) which contains terms and conditions other than those contained in Transporter's FERC Gas Tariff. If Transporter rejects any request for available capacity, Transporter will notify Shipper via e-mail of its reason(s) for such rejection.
- (d) All requests received during an open season remain binding on the requesting party through the end of the open season, unless withdrawn by the requesting party prior to the close of the open season; provided, however, a requesting party may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting party nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be deemed rejected by Transporter. If the winning bid is submitted by the requesting

party and the requesting party has complied with the requirements of Sections 26 and 27 of these General Terms and Conditions, such winning bid shall be binding on the requesting party and an Agreement shall be executed pursuant to the requirements of Section 26 of these General Terms and Conditions; in the event Shipper does not execute the Agreement as required by Section 26, Shipper shall nonetheless be bound by the terms of its winning bid and the provisions of such Agreement as though it had been fully executed. In the event the winning bidder is not the requesting party, Transporter shall automatically create a request for service on behalf of the winning bidder, and the winning bidder shall be required to comply with the provisions of Section 26; if the winning bidder does not execute the Agreement as required by Section 26.4, such winning bidder shall nonetheless be bound by the terms of its winning bid and the provisions of such Agreement as though it had been fully executed. If Transporter is unable to approve the winning bidder's request for service, the capacity shall be awarded to the party that submits the next highest bid for the posted capacity, subject to the requirements of Sections 26 and 27 of these General Terms and Conditions, unless, within one (1) Business Day of notification of the award of capacity, such party provides Transporter with written notification that it rejects such award.

- (e) Prospective Sale of Available Capacity and Minimum Terms of Any Awards.

Unless otherwise agreed by Transporter, Shipper may request available capacity for service to commence at a future date only within the following timelines:

- (1) For service for a contract term of less than ninety (90) days, the requested service shall commence no later than five (5) days from the date the request is granted or an open season ends, as applicable pursuant to Section 26.6(a)(2) herein;
- (2) For service for a contract term of ninety (90) days or more but less than one (1) year, Transporter shall be obligated to hold an open season pursuant to Section 26.6(a)(3) above only if the requested service would commence no later than thirty (30) days from the date the open season ends; and
- (3) For service for annual contract terms of one (1) year or longer, Transporter shall be obligated to hold an open season pursuant to Section 26.6(a)(3) above only if the requested service would commence no later than six (6) months from the date the open season ends.

In the event that Transporter allows a variation from the schedule defined

in this Section 26.6(e), the variation shall be detailed in the open season posting. In addition, unless otherwise agreed to by Transporter, all awards of capacity pursuant to this Section 26.6(e) must be for continuous service at a constant MDTQ at maximum rates for the entire term of the service. If Transporter agrees to consider varying from the schedule described above by conducting an open season, then Transporter is free to reject any bid that meets the minimum terms if the bid is for less than the contract term defined in the open season posting. Any deviations from this schedule or minimum terms shall only be done in a not unduly discriminatory manner consistent with Commission regulations.

27. CREDITWORTHINESS

27.1 General Credit Procedures

- (a) Transporter shall not be required to (i) execute an Agreement providing for service under the applicable Rate Schedule for any Shipper who fails to meet Transporter's standards for creditworthiness, or (ii) initiate service for a Shipper who subsequently fails to meet Transporter's standards for creditworthiness, or (iii) continue service for any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness pursuant to Transporter's standards.
- (b) To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) complete and current financial statements, including annual reports, 10-K reports or other filings with regulatory agencies, prepared in accordance with generally accepted accounting principles, or for non U.S.-based Shippers, prepared in accordance with equivalent principles; (ii) a list of corporate affiliates, parent companies and subsidiaries; and (iii) any credit reports available from credit reporting agencies. In addition to the establishment of creditworthiness: (i) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement; (ii) Shipper should not be subject to the uncertainty of pending liquidation or regulatory proceedings which could cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability of Shipper to exist as an ongoing business entity; (iii) if Shipper has an ongoing business relationship with Transporter, no undisputed delinquent balances should be consistently outstanding for any services performed previously by Transporter, and Shipper must have paid its account in the past according to the credit terms and contract provisions and not made deductions or withheld payment for claims not authorized by contract; and (iv) no significant collection, lawsuits or judgments are outstanding which would adversely impact the ability of Shipper to remain solvent.
- (c) For purposes of Section 27.1(b) above, the insolvency of a Shipper shall be presumed by the filing by such Shipper or any parent entity thereof of a voluntary petition in bankruptcy or the entry of a decree or order by a court having proper jurisdiction adjudging the Shipper or any parent entity thereof bankrupt or insolvent. The insolvency of a Shipper shall also be presumed by the filing by the Shipper or its parent entity of a voluntary or involuntary proceeding, reorganization, receivership, liquidation, a debt reduction procedure, assignment for the benefit of creditors, formal or informal creditor restructuring agreement, or the filing of any case under

the United States Bankruptcy Code, or any other applicable federal or state law.

- (d) If any of the events or actions described in Section 27.1(c) above shall be initiated or imposed during the term of service hereunder, Shipper shall provide notification thereof to Transporter within two (2) Business Days of any such initiated or imposed event or action.

27.2 Credit Requirements for long-term Shippers (contracts greater than 1 year). Shipper shall at all times comply with one of the following creditworthiness requirements:

- (a) A Shipper will satisfy creditworthiness criteria, if: (i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services and at least Baa3 by Moody's Investor Services, Inc. or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and (ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of the shipper's overall financial condition. A Shipper who qualifies under this category initially but is later downgraded below such investment grade will be required to qualify pursuant to Section 27.2(b) below.
- (b) A Shipper that does not meet the requirements as set forth in Section 27.2(a) above will be required to maintain credit support through either: (i) an irrevocable, unconditional guaranty from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment. The Guaranty will guarantee the full and faithful performance and payment of all of the Shipper's obligations; or (ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of the Shipper's obligations. If Transporter determines at any time that any bank supporting a letter of credit in favor of a Shipper is no longer acceptable to Transporter, then Transporter can require the Shipper to maintain alternative credit support.

Transporter shall provide such Shipper with a written statement supporting Transporter's request for the security amount requested at the time such security is requested. If Transporter rejects the security provided by Shipper in accordance with Section 27.2(b)(i)-(ii) above, Transporter shall re-issue its request for the security and include a written explanation for the rejection of the security previously provided by Transporter.

- (c) If a cash deposit or irrevocable standby letter of credit is required by Section 27.2(b)(ii), Shipper will be required to provide credit support in an amount equivalent to the highest three months of firm transportation Reservation charges under the applicable Service Agreement.
- (d) Transporter may also require the Shipper to provide and maintain credit support, at any time during the term of the agreement, in the event that: (i) any of the Debt Ratings assigned to the Shipper becomes qualified or impacted by a negative outlook; or (ii) Transporter determines, in its sole discretion, that Shipper no longer satisfies the creditworthiness criteria or Transporter has other reasonable grounds for insecurity.
- (e) Nothing herein shall be read to preclude Transporter from requiring, and enforcing for the term of the contracts, a greater amount of security in agreements supporting an application for a certificate to construct new or expanded facilities, including any replacement contract entered into upon a permanent release of capacity under such contract, any assignment of such contract or any resale of capacity subject to such contract in the event of a default.
- (f) New Construction. In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Shipper's capacity related to such project, the credit requirements applicable to the service agreement related to such project will be the credit requirements set forth in that certain precedent agreement for the new or expansion project between Transporter and Shipper.

27.3 Credit Requirements for short-term Shippers (contracts less than 1 year). Shipper shall establish credit in accordance with Section 27.2.

- (a) If a Shipper fails to establish creditworthiness as provided in Section 27.2, Shipper may still receive Transportation Service if, and only if, Shipper furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) an irrevocable, unconditional guaranty from a third party that is creditworthy in accordance with 27.2(a) and that is otherwise acceptable to Transporter, in Transporter's sole judgment; or (ii) a cash deposit or an irrevocable letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in an amount equivalent to three (3) Month's service or the term of service, whichever is less, plus an amount equal to the three highest Cashout payments, if any incurred during the previous twelve months, (if no prior history exists between the parties, Transporter shall determine the amount of advance payment hereunder to be deposited with Transporter) or (iv) other security acceptable to Transporter.
- (b) If a Shipper fails to maintain creditworthiness, as determined by

Transporter in accordance with Sections 27.2 or 27.3(a), Shipper may continue to receive service for fifteen (15) days after written notice from Transporter of such failure, provided, however, that Shipper furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) an irrevocable, unconditional guaranty from a third party that is creditworthy in accordance with 27.2(a) and that is otherwise acceptable to Transporter, in Transporter's sole judgment; or (ii) a cash deposit or an irrevocable letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in an amount equivalent to three (3) Month's service or the term of service, whichever is less, plus an amount equal to the three highest Cashout payments, if any incurred during the previous twelve months; or (iv) other security acceptable to Transporter. If Shipper fails to provide Transporter with the appropriate credit under this Section 27.3(b) within such fifteen (15) day notice period, then Transporter may, without waiving any rights or remedies it may have, and subject to a 30 day notice to both the Commission and the Shipper, suspend further service until Shipper's compliance with 27.2(b) is obtained, provided, however, that if compliance is not made within the 30 day notice period, Transporter shall no longer be obligated to continue to provide service to such Shipper. Reservation charges will not accrue or be charged for any day where service is suspended due to failure to meet the requirements of Section 27.3.

- (c) Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized nondiscriminatory basis which appraisal shall consider a number of relevant factors including but not limited to the cost of constructing any applicable facilities. To the extent that a Shipper's account(s) with Transporter do not exceed such limits and/or provided no new information regarding Shipper's financial or business position becomes known to Transporter, no new credit approval shall be necessary for Shipper's existing Agreement(s) unless subsequently amended; provided however, that Transporter shall have the right, with Shipper's assistance and cooperation, to update Shipper's credit file at any time.

28. RIGHT OF FIRST REFUSAL (“ROFR”)

- 28.1 Purpose. The purpose of this Section 28 is to provide the necessary information pertaining to the right of long-term firm Shippers to continue firm Transportation Service at the expiration of their Agreements by exercising a ROFR.
- 28.2 Eligibility. Any Shipper with a firm Transportation Agreement shall have a ROFR, as described in this Section 28, for capacity underlying the Shipper’s Transportation Agreement, provided that:
- (a) The Transportation Agreement is a maximum rate contract for twelve (12) or more consecutive Months of service; or, the Transportation Agreement is a multi-year seasonal contract at the maximum rate for services not offered by the pipeline for a full twelve (12) Months. If a Shipper has entered into a firm Transportation Agreement utilizing off-system capacity contracted for pursuant to GT&C Section 36, Shipper may not elect to extend the term of its agreement beyond the term of Transporter’s agreement for such off-system capacity;
 - (b) Shipper complies with the requirements set forth in this Section 28;
 - (c) Shipper does not have a discounted or negotiated rate firm Transportation Agreement except as provided in GT&C Section 28.3(d); and
 - (d) Shipper does not have Interim Capacity as set forth in GT&C Section 26.6(a)(12).
- 28.3 Procedure
- (a) Shipper Notice. For all firm Transportation Agreements eligible for the ROFR, Shipper shall provide notice to Transporter in writing of Shipper’s intent to exercise ROFR rights. Notification of Shipper’s intent is due on or before six (6) Months prior to the expiration date for Shipper’s Transportation Agreement. A Shipper shall relinquish all rights to the capacity underlying its firm Transportation Agreement upon termination of the Transportation Agreement by providing notice stating that it will not exercise its ROFR rights or by failing to provide notice of its intent to exercise its ROFR rights by the deadline describe above. If the Transportation Agreement contains an evergreen provision, the ROFR provisions of this section will not apply until one party provides notice of termination or the Transportation Agreement has reached the end of the evergreen period.
 - (b) Solicitation of Bids. If the Shipper provides notice of its intent to exercise ROFR rights, then Transporter shall solicit competing bids for the subject capacity no later than sixty (60) Days prior to expiration of the Transportation Agreement. Transporter shall post on its Internet Website

for thirty (30) Days the terms and conditions of the expiring Transportation Agreement. Any party qualified under the capacity release rules of this Tariff may submit a bid for all, or any portion of, the subject capacity during the bid period.

- (c) Existing Shipper’s Right to Match. Within ten (10) Business Days after the close of the bid period, Transporter shall notify the existing Shipper of the best offer or offers received for the expiring capacity. Transporter’s evaluation shall be based on one of the capacity release bid evaluation methods listed in GT&C Section 25. Transporter shall identify the method to be used in its solicitation of bids. The term of any competing offer shall not be capped for comparison purposes. Within ten (10) Business Days after such notification by Transporter, the existing Shipper must notify Transporter of its intent to match the best offer(s) for all or a volumetric portion of the expiring capacity. If the existing Shipper does not agree to match the best offer(s) for all or a volumetric portion of the expiring capacity, then the existing Shipper relinquishes all rights to such capacity. Shipper is not required to notify Transporter of the amount of capacity it will retain through the process set forth in GT&C Section 28 until after Shipper receives notification from Transporter of the best offer(s) for the expiring capacity. Transporter may enter into a Transportation Agreement with the bidder(s) submitting the highest offer(s). However, Transporter shall not be required to enter into a Transportation Agreement that is at less than Transporter’s applicable maximum tariff rate.
- (d) Contractual ROFR in Firm Transportation Agreements. Transporter and Shipper may agree to include a ROFR clause in a firm Transportation Agreement, including negotiated rate and discount rate agreements. However, if such Shipper has entered into a firm agreement utilizing the off-system capacity contracted for pursuant to GT&C Section 36, it may not elect to extend the term of its agreement beyond the term of Transporter’s agreement for such off-system capacity. The contractual ROFR clause provides the Shipper a right defined in GT&C Section 28 even where the regulatory right does not apply. In such a case, the Transportation Agreement shall include a contractual ROFR.
- (e) In the event there are no competing offers, the existing Shipper shall not be entitled to continue to receive transportation service upon the expiration of its contract except by agreeing to pay the maximum tariff rate unless Transporter and such Shipper enter into a new firm Transportation Agreement providing otherwise.
- (f) Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to GT&C Section 26.6(a)(12), shall not be eligible for a ROFR.

29. INCORPORATION IN RATE SCHEDULES AND AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules and Agreements. To the extent there is any inconsistency between terms in these General Terms and Conditions and terms in Transporter's Rate Schedules or Agreements, these General Terms and Conditions shall govern.

30. NEGOTIATED RATES

30.1 Availability. Notwithstanding anything to the contrary contained in this Tariff, Transporter and Shipper may mutually agree to a Negotiated Rate and contract term for all or any portion of the capacity under any Part 284 Agreement, provided that Shipper has not acquired its capacity under the capacity release provisions of Section 25. If only a portion of the capacity under any Agreement will be priced at Negotiated Rates, the original Agreement must first be bifurcated, and the existing Maximum Recourse Rates or discounted rates will continue to apply to the Agreement not subject to the Negotiated Rates. If Transporter and Shipper fail to agree to a Negotiated Rate, Shipper may receive service at the applicable Maximum Recourse Rate, including surcharges, for service under the Rate Schedule applicable to the service.

30.2 Capacity Release.

- (a) To the extent that Transporter agrees to a Negotiated Rate applicable to usage and/or fuel charges, Transporter will consider, if requested by the Negotiated Rate Shipper, and may agree with the Negotiated Rate Shipper, on a not unduly discriminatory basis, to the terms and conditions pursuant to which Transporter will offer such Negotiated Rate(s) to Replacement Shipper(s). This agreement to flow through the Negotiated Rates for usage and/or fuel charges to a Replacement Shipper will be documented as set forth in Section 30.7(a) below.
- (b) Any potential Replacement Shipper that desires to acquire capacity on a temporary basis pursuant to Section 25 of the General Terms and Conditions may request via the ECM to pay the usage and/or fuel charges pursuant to Transporter's Recourse Rates or pursuant to Shipper's Negotiated Rate. Transporter shall grant the request to pay Shipper's Negotiated Rate ("Request") if Transporter determines, in a not unduly discriminatory manner, that Replacement Shipper is similarly situated to Shipper; provided however, any Replacement Shipper acquiring capacity on a temporary basis under a service agreement for which Transporter and Shipper have agreed to the automatic pass-through of the Negotiated Rate pursuant to Section 30.2(a) above will be deemed to be similarly situated to Shipper and Transporter will be deemed to have granted the Request. In the event that Transporter grants such Request and the potential Replacement Shipper's bid is the winning bid, the potential Replacement Shipper's Request will serve as its execution of the Negotiated Rate agreement and Transporter's award of the bid via the ECM will serve as Transporter's execution of the Negotiated Rate agreement for such Negotiated Rates and such agreement will be documented as set forth in Section 30.7(b) below. If Transporter denies such Request or if the potential Replacement Shipper does not request such negotiated rates, Transporter's recourse rates shall be applicable to any capacity awarded to

such potential Replacement Shipper. If Transporter denies such Request, Transporter shall notify the potential Replacement Shipper via email of the reason(s) for the denial of the Request.

- 30.3 Filing Requirement. Transporter will submit to the Commission a Statement of Negotiated Rates stating prior to the commencement of service under a Negotiated Rate agreement or, for those Negotiated Rate agreements between Transporter and a Replacement Shipper that incorporate a Negotiated Rate for usage and/or fuel charges flowed through to the Replacement Shipper pursuant to Section 30.2(b), as soon as reasonably practicable following the award of the capacity to the Replacement Shipper pursuant to Section 25 of the General Terms and Conditions. The Statement of Negotiated Rates will reflect the exact legal name of the Shipper, the Negotiated Rate, the rate schedule, the contract term, the Receipt Point(s), Delivery Point(s), the MDTQ, and where applicable, the exact formula underlying a Negotiated Rate for any Negotiated Rate Agreement. Unless Transporter executes and files a non-conforming Agreement, such Statement of Negotiated Rates will contain a statement that the Negotiated Rate Agreement does not deviate in any material respect from the Form of Service Agreement for the applicable Rate Schedule.
- 30.4 Limitations. This Section 30 does not authorize Transporter to negotiate terms and conditions of service.
- 30.5 Right of First Refusal. For purposes of exercising rights to continue service pursuant to Section 28 of these General Terms and Conditions, the highest rate that a Shipper must match if it desires to retain all or a portion of its capacity, and continue to receive firm service under the same rate schedule beyond the expiration date of such long-term firm Agreement, is the recourse rate for such service.
- 30.6 Accounting Treatment. Transporter shall maintain a separate account within Account 489.2, Revenues from Transportation of Gas of others through transmission facilities, for recording all revenues associated with charging Negotiated Rates. Transporter shall record each volume transported, billing determinant, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in Transporter's next Section 4 rate case.
- 30.7 Documentation.
- (a) With the exception of Negotiated Rates agreed upon pursuant to Section 30.2(b) above that are applicable to a temporary release of capacity, any Negotiated Rate agreed to by Transporter and Shipper pursuant to this Section 30 shall be implemented by Transporter's completion of a Statement of Negotiated Rates with the applicable Negotiated Rate-related

provisions as described in Section 30.3 herein. Transporter shall tender such Statement of Negotiated Rates to Shipper together with a transmittal letter for counter-execution by Shipper, which transmittal letter shall have the sole purpose of memorializing Transporter's and Shipper's mutual agreement to the rate-related provisions reflected on such attached Statement of Negotiated Rates. After execution by both Transporter and Shipper, Transporter shall file a Statement of Negotiated Rates with the Commission which shall contain rate-related provisions identical to the rate-related provisions reflected on the Statement of Negotiated Rates agreed to by Transporter and Shipper.

- (b) Upon the completion of the capacity release process set forth in Section 25 of the General Terms and Conditions and the award of capacity on a temporary basis to Replacement Shipper(s), any Negotiated Rates agreed upon and executed pursuant to Section 30.2(b) above shall be documented by Transporter in a Statement of Negotiated Rates filed with the Commission and provided to the Replacement Shipper(s).

30.8 Effective Date of Negotiated Rate. Any Negotiated Rate agreed to pursuant to this Section 30 shall become effective only after acceptance by the Commission; prior to such date the rate applicable to any such service shall be the maximum Recourse Rate.

31. NORTH AMERICAN ENERGY STANDARDS BOARD (“NAESB”) STANDARDS

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.1, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

Pursuant to NAESB’s Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver as adopted by the NAESB Board of Directors on April 4, 2013, Transporter may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Transporter includes appropriate citations in the submission.

Transporter has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.1, that are protected by NAESB’s copyright. With respect to each reproduced standard, Transporter incorporates the following: ©1996 – 2017 NAESB, all rights reserved.

NAESB WGQ	Tariff Record	Section
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NAESB WGQ

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32. DEFAULT AND TERMINATION

- 32.1 Except where different procedures for termination of an Agreement are expressly provided in the General Terms and Conditions, if Transporter or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Agreement into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Agreement and declaring it to be the intention of the party giving the notice to terminate such Agreement; thereupon the party in default shall have 30 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said 30 day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Agreement shall continue in full force and effect.
- 32.2 In the event the party in default does not so remedy and remove the cause or causes, or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of 30 days, then, after any necessary authorization by regulatory bodies having jurisdiction, at the option of the party giving such default notice, the Agreement shall terminate.
- 32.3 Any termination of the Agreement pursuant to the provisions of this Section 32 shall be without prejudice to the right of Transporter to collect any amounts then due to it for Gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Shipper to receive any Gas which it has not received but the Transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Agreement.

33. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES.

33.1 Complaints: In the event that a Shipper or potential Shipper has a complaint relative to service under this Tariff or Transporter's Standards of Conduct compliance procedures, the Shipper shall provide a description of the complaint, including the identification of the Transportation request (if applicable) and a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any, to the appropriate contact personnel whose name(s) shall be posted on Transporter's Internet Website.

Transporter shall respond to a complaint within forty-eight (48) hours, and in writing within thirty (30) days advising Shipper or potential Shipper of the disposition of the complaint. In the event the required date of Transporter's response falls on a Saturday, Sunday, or a holiday that affects Transporter, Transporter shall respond by the next Business Day.

33.2 Informational Postings

All information required to be posted pursuant to the Commission's currently effective Standards of Conduct regulations will be provided on Transporter's Internet Website under Informational Postings. Such information will be updated as required by applicable regulation(s) issued by the Commission.

34. LIMITATION OF LIABILITY OF MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under any Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of any Agreement; (c) no claim shall be made against the company operating the business and physical operations of Transporter or its members or the officers, employees, and agents of operator or its members (collectively "Operator"), under or in connection with any Agreement and the performance by Operator of its duties as Operator (provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (d) this representation is made expressly for the benefit of the members in Transporter and the Operator.

35. DISCOUNT POLICY

- 35.1 Any Shipper desiring a discount of the Maximum Recourse Rates for service under Transporter's open-access rate schedules must submit a valid request for such discount pursuant to the procedures of this Section 35. To be considered a valid request, Shipper must complete and submit a request for discount via the ECM, specifically including the information for all mandatory fields. Upon receipt of a valid request for a discount, Transporter will log such request and either deny or grant such request.
- 35.2 If and when Transporter discounts the rates applicable for service under any Agreement under Rate Schedules included in Transporter's FERC Gas Tariff, the amount of any such discount shall be accounted for as a reduction of Maximum Recourse Rates in the following sequence to the extent any of the following components are included in the Maximum Recourse Rates; the first item discounted shall be trackable rate components (if any), to the extent not otherwise agreed to in approved settlements, followed by the base rate (maximum less minimum rate and excluding all other components specified here).
- 35.3 In the event that Transporter agrees to discount its Maximum Recourse Rates under any of its open-access rate schedules, Transporter and Shipper may agree to the types of discounts specified herein without such discounts constituting a material deviation from Transporter's pro forma service agreement. Transporter and Shipper may agree that a specified discounted rate will apply:
- (a) only to specified quantities under the Agreement;
 - (b) only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) only during specified periods of the year or for a specifically defined period;
 - (d) only to specified points, combination of points, markets, Transportation Paths or other defined geographic area(s);
 - (e) only to reserves, acreage, or processing plant(s) committed by Shipper;
 - (f) only in a specified relationship to the quantities actually delivered (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually delivered);
 - (g) so that the applicable rate may be adjusted in the following manner: when one rate component, which was equal to or within the applicable Maximum Recourse Rates and Minimum Recourse Rates at the time Shipper received the Discount Confirmation pursuant to Section 35.5 below specifying the terms of the discount, subsequently exceeds the

applicable Maximum Recourse Rate or is below the applicable Minimum Recourse Rate, so that such rate component must be adjusted downward or upward to equal the new applicable Maximum Recourse Rate or Minimum Recourse Rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the Maximum Recourse Rate or are below the Minimum Recourse Rate applicable to the rate component (such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts a revised Statement of Rates; however, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a Discount Confirmation exceeded rates which ultimately are found to be just and reasonable); and/or

- (h) based upon published index prices for specific Receipt Points and/or Delivery Points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon a single published index price or the differential between published index prices or arrived at by formula;

provided that the discounted rate shall not change the underlying rate design, shall not include any minimum bill or minimum take obligation, and shall define the rate component to be discounted). Notwithstanding the foregoing, no discounted rate shall be less than the applicable Minimum Recourse Rate.

- 35.4 In the event that Transporter rejects Shipper's request for a discounted rate, Transporter shall notify Shipper via e-mail of the reason for such rejection.
- 35.5 The terms of any discount request granted by Transporter pursuant to this Section 35 shall be transmitted by e-mail to Shipper in the form of a Discount Confirmation. The Discount Confirmation shall identify the applicable Shipper's name, contract number, rate schedule, term of the discount, discount rate, applicable quantities, Receipt Point(s) and delivery, and/or the pipeline path being discounted. The Discount Confirmation may also include other information required for posting under the Commission's regulations and other conditions consistent with Section 35.3. No particular discount transaction shall be contractually binding on either Transporter or Shipper until Transporter has confirmed the terms of the discount upon Transporter's e-mail to Shipper of the Discount Confirmation for the transaction, subject to the underlying Agreement being fully executed. All discounts granted shall be effective no sooner than the beginning of the next Gas Day following the Gas Day on which the request is granted by Transporter. Once the discount is contractually binding, the Discount Confirmation will constitute an addendum to the underlying Agreement. Each such addendum is an integral part of the underlying Agreement as if executed by both parties and fully copied and set forth at length therein.

35.6 If Transporter's recourse rates are subject to refund at any time during the effectiveness of a Discount Confirmation, with respect to the applicable discounted rate, Shipper shall be entitled to refunds of payments made by Shipper only in the event that the final, non-appealable Maximum Recourse Rate, whether usage-based or reservation-based, as determined by the Commission for a given time period is lower than the rate actually paid by Shipper during such time period. Subject to the condition precedent set forth in the immediately preceding sentence, Shipper's principal refund amount shall be equal to (a) with respect to usage-based rates, the product of (1) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, and (2) the quantities of Gas delivered to Shipper, or for Shipper's account, during the refund period; and (b) with respect to reservation-based rates, the product of (1) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, (2) the MDTQ covered by the discounted rate, and (3) the number of Months in the refund period (partial Months shall be prorated for the number of Days in the Month that fall within the refund period and a discounted rate that is not a Monthly rate shall be adjusted for purposes of this calculation to reflect the Monthly equivalent of the rate).

36. OFF-SYSTEM PIPELINE CAPACITY

From time to time, Transporter may enter into Transportation and/or storage agreements with other interstate or intrastate pipeline companies (individually, an “off-system pipeline”). In the event that Transporter acquires capacity on an off-system pipeline, Transporter will use such capacity for operational reasons and will only render Transportation Service to Shippers on the acquired capacity pursuant to Transporter’s Tariff and subject to Transporter’s approved rates, as such Tariff and rates may change from time to time. For purposes of Transportation Service on an off-system pipeline, the “shipper must have title” requirement is waived, permitting a Shipper utilizing such service to have title to the Gas on such off-system pipeline.

37. PERMITTED SHARING OF NON-PUBLIC INFORMATION

Pursuant to FERC Order No. 787 and subject to the requirements of FERC Order No. 787, Transporter shall have the right to share, from time to time on a voluntary basis, non-public operational information with an Independent System Operator, Regional Transmission Organization or public utility that owns, operates, or controls facilities used for transmission of electric energy in interstate commerce (collectively “Electric Transmission Operator”) for the purpose of promoting reliable service or operational planning on either the Transporter’s or Electric Transmission Operator’s system. Transporter’s primary point of contact and the protocols for the sharing of such non-public information will be provided to each Electric Transmission Operator in Transporter’s service territory. All such sharing of non-public operational or planning information will be in accordance with those protocols. A list of the Electric Transmission Operators who have agreed to the protocols will be maintained on Transporter’s Informational Postings website.

38. INCIDENTAL PURCHASES AND SALES

- 38.1 Transporter may purchase or sell operational Gas to the extent necessary to maintain reliable system operations, including but not limited to system pressure, fuel quantities and line pack.
- 38.2 Transporter will post its operational sales quantities for bidding on its ECM in accordance with the applicable bidding provisions contained in GT&C Section 25.
- 38.3 Transporter will file an annual report for each operational purchase and sale showing the revenues derived from the sale of gas and the crediting of revenues from such sales to shippers and will indicate the source of the purchase or sale, date of the purchase/sale volumes, purchase/sale price, costs and revenues from the purchase/sale, and the disposition of the costs and revenues, an explanation as to the purpose of any operational purchase and or sale, and identification of all entities, including affiliates, from which the pipeline purchases operational gas.
- 38.4 Operational purchases and sales have a lower transportation priority than firm transportation and are unbundled from transportation service provided pursuant to Transporter's Tariff.

39. LIMITATION ON LIABILITY.

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

40. ANNUAL CHARGE ADJUSTMENT

The purpose of Section 40 is to establish an Annual Charge Adjustment (“ACA”) clause as permitted by Section 154.402 of the Commission’s Regulations under the Natural Gas Act, which allows a natural gas pipeline company to adjust its rates annually to recover from its Shippers annual charges assessed it by the Commission under Part 382 of the Commission’s Regulations. Double E intends to recover such costs under these Tariff provisions and not in an NGA Section 4 rate filing.

- (a) Applicable Rate Schedules: The ACA as set forth in the Statement of Additional Charges and Surcharges of this Tariff, is applicable to Transporter’s Rate Schedules FTS and ITS.
- (b) Remittance to the Commission. Transporter shall remit to the Commission, not later than forty-five (45) Days after receipt of the Commission’s Annual Charges Billing, the total annual charge stated on such billing.
- (c) Basics of the Annual Charge Adjustment. The Rate Schedules specified in Section 40(a) hereof shall include an increment for an Annual Charge Adjustment for costs specified in Section 40(a), above. Such adjustment shall be the billable charge factor from the Commission, which is stated in the Commission’s Annual Charges Billing. Transporter incorporates by reference the ACA charge as revised annually by the Commission and posted on its web site (www.ferc.gov) and identified as “FY [] Gas Annual Charges Correction for Annual Charges Unit Charge.”

41. LIST OF NON-CONFORMING SERVICE AGREEMENTS

The following service agreements are being listed in accordance with Section 154.112(b) of the Commission’s regulations. This list of agreements will be updated to reflect new agreements containing material, non-conforming provisions.

Rate Schedule FTS

<u>Contract Number</u>	<u>Shipper</u>	<u>Volume 2 Reference</u>
FTS002	Marathon Oil Company	Vol. 2, Part 2, Section 1
FTS003	MRC Permian Company	Vol. 2, Part 2, Section 2
FTS004	Summit Midstream Marketing, LLC	Vol. 2, Part 2, Section 3
FTS001	XTO Energy Inc.	Vol. 2, Part 2, Section 4

Rate Schedule ITS

<u>Contract Number</u>	<u>Shipper</u>	<u>Volume 2 Reference</u>

Rate Schedule PALS

<u>Contract Number</u>	<u>Shipper</u>	<u>Volume 2 Reference</u>

FORM OF SERVICE AGREEMENTS
INDEX

DESCRIPTION/TITLE

1. FTS Service Agreement
2. ITS Service Agreement
3. PALS Service Agreement
4. Reserved For Future Use
5. Form of Internet Website Agreement

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)

Contract No. _____

FIRM TRANSPORTATION SERVICES AGREEMENT

This FIRM TRANSPORTATION SERVICES AGREEMENT (the “Agreement”) is entered into this ____ day of _____, _____, by and between Double E Pipeline, LLC, a limited liability company of the State of [] (herein called “Transporter”), and _____ (herein called “Shipper”). [If this Agreement supersedes a previous agreement, the following may be inserted here: This Agreement supersedes and replaces in its entirety that certain _____ [insert type of agreement] by and between _____ and _____, dated _____ (Contract/Agreement No: _____).]

WITNESSETH

WHEREAS, Shipper is interested in obtaining firm transportation service from Transporter and Transporter is willing to provide firm transportation service to Shipper; and

WHEREAS, _____

_____ ; and

WHEREAS, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

1. Type of Service. Transporter agrees to provide and Shipper agrees to take and pay for service under this Agreement pursuant to Transporter’s Rate Schedule FTS and the General Terms and Conditions of Transporter’s Tariff, which are incorporated herein by reference and made a part hereof. ***[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Shipper’s capacity related to such project, the following language shall be included in Shipper’s Agreement: “The credit requirements applicable to this Agreement are set forth in that certain Precedent Agreement dated _____ between Transporter and Shipper related to this Agreement.”]***

[Transporter and Shipper shall include language here to the extent Shipper elects service pursuant to 18 C.F.R. Section 284.102 (284B – Intrastate Pipelines or Local Distribution Companies). In the absence of language to the contrary, service shall be provided pursuant to 18 C.F.R. Section 284.221 (284G – Interstate Pipelines and Others).]

2. Quantity. The Maximum Daily Transportation Quantity (MDTQ) and, if applicable, the Maximum Daily Hourly Transportation Quantity (“MDHTQ”) for service under this Agreement is stated in Exhibit C attached hereto and incorporated herein.
3. Primary Receipt and Delivery Points. The Primary Receipt Point(s) are listed on Exhibit A and the Primary Delivery Point(s) are listed on Exhibit B attached hereto and incorporated herein. All Gas tendered by or on behalf of Shipper to Transporter will be delivered at the Receipt Point(s) at a pressure sufficient to enter Transporter’s System at Transporter’s prevailing pressure up to Transporter’s Maximum Allowable Operating Pressure. To the extent applicable, any minimum receipt or delivery pressure shall also be stated on Exhibits A and B.

4. Term.

[To the extent Transporter and Shipper have entered into a separate negotiated rate letter agreement that prescribes the term for services to be provided hereunder, Transporter and Shipper may reference such term here.]

[To the extent Transporter and Shipper have not entered into a separate negotiated rate letter agreement that prescribes the term for service to be provided hereunder, Transporter and Shipper shall use the following language: This Agreement shall be effective on _____ and shall continue until _____ (“Primary Term”) and from _____ to _____ thereafter (not less than year to year for the secondary term for Agreements with a primary term of more than 1 year) (“Secondary Term(s)”) until terminated by Transporter or Shipper upon at least _____ [not less than 1 year]] prior written notice.]

Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter’s FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.

5. Rate. Maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement except during the specified term of a discounted or Negotiated Rate to which Shipper and Transporter have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Shipper, as part of Transporter’s Tariff. [insert sentence if applicable stating that Transporter and Shipper have agreed to a discount or Negotiated Rate].
6. Notice. Unless otherwise required in the Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via [facsimile or] electronic mail. Shipper or Transporter may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Transporter:

Shipper:

7. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of [] and the Natural Gas Act (15 U.S.C. Chapter 15B), excluding conflicts of law principles that would require the application of the laws of a different jurisdiction. The Parties further agree that their respective obligations in the performance of this Agreement involve activities affecting interstate commerce. The Parties consent to the concurrent jurisdiction of the FERC to approve any order, injunction or decree of any other court of competent jurisdiction that purports to alleviate either party of its obligations hereunder.
8. If a court, the FERC or other governmental authority with jurisdiction finds or declares that any terms of this Agreement are void, unenforceable or impermissible, or otherwise rejects such term(s), the other terms shall remain in full force and effect, and Transporter and Shipper shall negotiate in good faith to revise the affected terms or to make any other commercially reasonable arrangements or equitable adjustments in order to comply with FERC or other applicable requirements and maintain the commercial position and intent of the parties as evidenced herein.
9. Assignment. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. [Transporter and Shipper may elect to clarify the extent to which the non-assigning party may withhold consent to a proposed assignment (e.g., Such consent shall not be unreasonably withheld, conditioned or delayed.)] Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER

TRANSPORTER

Double E Pipeline, LLC

By: _____

By: _____

Title: _____

Title: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

EXHIBIT A

Receipt Point(s)

[Dated: _____]

To the Agreement under Rate Schedule FTS between Double E Pipeline, LLC (Transporter) and _____ (Shipper) concerning Receipt Point(s).

The Primary Receipt Point(s) that may be available to Shipper include the following:

Primary Receipt Point	Maximum Receipt Pressure	[Minimum Receipt Pressure]
_____	_____	[_____]

[Parties may memorialize any agreement with respect to cost responsibility for any Receipt Points consistent with Section 21 of the General Terms and Conditions of the Tariff. Furthermore, in the event of any such agreement, Parties may substitute a different form of table(s) to describe the Parties' agreement with respect to cost responsibility for such Receipt Point(s).]

[Signed for Identification

Transporter: _____

Shipper: _____]

[Supersedes Exhibit A Dated _____]

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

Exhibit B

Delivery Point(s)

[Dated: _____]

To the Agreement under Rate Schedule FTS between Double E Pipeline, LLC (Transporter) and
_____ (Shipper) concerning Delivery Point(s).

The Primary Delivery Point(s) available to Shipper include the following:

Primary Point of Delivery	Maximum Daily Delivery Obligation	[Minimum Delivery Pressure]
_____	_____	[_____]

[Parties may memorialize any agreement with respect to cost responsibility for any Delivery Points consistent with Section 21 of the General Terms and Conditions of the Tariff. Furthermore, in the event of any such agreement, Parties may substitute a different form of table(s) to describe the Parties' agreement with respect to cost responsibility for such Delivery Point(s).]

[Signed for Identification

Transporter: _____

Shipper: _____]

[Supersedes Exhibit B Dated _____]

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

Exhibit C

Transportation Quantities

[Dated: _____]

To the Agreement under Rate Schedule FTS between Double E Pipeline, LLC (Transporter) and _____ (Shipper) concerning Transportation quantities.

Receipt Point Name	Receipt Point MDTQ (Dth/day)	Delivery Point Name	Delivery Point MDTQ (Dth/day)
Total		Total	

[To the extent Transporter and Shipper have agreed to provide for a ramp-up in Shipper's MDTQ, the Parties may substitute a different form of table(s) to describe the agreed-upon ramp-up in Shipper's MDTQ.]

[Parties may memorialize any agreement with respect to cost responsibility for any new facilities consistent with Section 21 of the General Terms and Conditions of the Tariff.]

[Transporter and Shipper may memorialize Shipper's rights to Authorized Overrun Service consistent with Section 7 of Rate Schedule FTS of the Tariff.]

[Signed for Identification

Transporter: _____

Shipper: _____]

[Supersedes Exhibit C Dated _____]

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ITS)

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT entered into this ____ day of _____, _____, by and between Double E Pipeline, LLC, a limited liability company of the State of [] (herein called “Transporter”), and _____ (herein called “Shipper”), [If this Agreement supersedes a previous agreement, the following may be inserted here: This Agreement supersedes and replaces in its entirety that certain _____ [insert type of agreement] by and between _____ and _____, dated _____ (Contract/Agreement No: _____).]]

WITNESSETH

WHEREAS, Shipper is interested in obtaining interruptible transportation service from Transporter and Transporter is willing to provide interruptible transportation service to Shipper; and

WHEREAS, _____

_____ ; and

WHEREAS, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

1. Type of Service. Transporter agrees to provide and Shipper agrees to take and pay for service under this Agreement pursuant to Transporter’s Rate Schedule ITS and the General Terms and Conditions of Transporter’s Tariff, which are incorporated herein by reference and made a part hereof.

Shipper has elected service as indicated below and represents and warrants that it conforms to the requirements of:

18 C.F.R. Section 284.102 (284B - Intrastate Pipelines or Local Distribution Companies)
—

18 C.F.R. Section 284.221 (284G – Interstate Pipelines and Others) _____

- 2. Quantity. Maximum Daily Transportation Quantity _____ Dth
- 3. Term. This Agreement shall be effective on _____ and shall continue until _____ (“Primary Term”) and month to month thereafter until terminated by Transporter or Shipper upon at least thirty (30) days prior written notice. Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter’s Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.
- 4. Rate. Unless otherwise agreed in writing, maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement, as such may change from time to time.
- 5. Notice. Unless otherwise required in the Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via facsimile. Shipper or Transporter may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Transporter:

Shipper:

- 6. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of [], excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER

By: _____

Title: _____

TRANSPORTER

Double E Pipeline, LLC

By: _____

Title: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE PALS)

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT entered into this ____ day of _____, _____, by and between Double E Pipeline, LLC, a limited liability company of the State of [] (herein called “Transporter”), and _____ (herein called “Shipper”), [If this Agreement supersedes a previous agreement, the following may be inserted here: This Agreement supersedes and replaces in its entirety that certain _____ [insert type of agreement] by and between _____ and _____, dated _____ (Contract/Agreement No: _____).]]

WITNESSETH

WHEREAS, Shipper is interested in obtaining PALS transportation service from Transporter and Transporter is willing to provide PALS transportation service to Shipper; and

WHEREAS, _____

_____ ; and

WHEREAS, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

1. Type of Service. Transporter agrees to provide and Shipper agrees to take and pay for service under this Agreement pursuant to Transporter’s Rate Schedule PALS and the General Terms and Conditions of Transporter’s Tariff, which are incorporated herein by reference and made a part hereof.

Shipper has elected service as indicated below and represents and warrants that it conforms to the requirements of:

18 C.F.R. Section 284.102 (284B - Intrastate Pipelines or Local Distribution Companies) _____

18 C.F.R. Section 284.221 (284G – Interstate Pipelines and Others) _____

2. Quantity. Maximum Daily Transportation Quantity _____ Dth

- 3. Term. This Agreement shall be effective on _____ and shall continue until _____ (“Primary Term”) and month to month thereafter until terminated by Transporter or Shipper upon at least thirty (30) days prior written notice. Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter’s Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.
- 4. Rate. Unless otherwise agreed in writing, maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement, as such may change from time to time.
- 5. Notice. Unless otherwise required in the Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via facsimile. Shipper or Transporter may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Transporter:

Shipper:

- 6. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of [], excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER

TRANSPORTER

Double E Pipeline, LLC

By: _____

By: _____

Title: _____

Title: _____

[Reserved for Future Use]

FORM OF INTERNET WEBSITE AGREEMENT

This AGREEMENT entered into this ____day of _____, ____ by and between Double E Pipeline, LLC, a limited liability company of the state of [] (herein called “Transporter”), and _____ (herein called “Shipper”).

W I T N E S S E T H

WHEREAS, Transporter has developed html pages to facilitate access to and to provide information concerning transportation and sales on its Internet Website; and

WHEREAS, Shipper desires its employees access to Shipper’s proprietary information available via the public internet on the Internet Website; and

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

1. Transporter agrees to provide Shipper with open and non-discriminatory access to the Shipper’s information promptly upon Shipper’s completion and Transporter’s acceptance of this Agreement and Exhibit “A” titled INTERNET USERID/PASSSSWORD REQUEST FORM, attached hereto and made a part hereof (Exhibit “A”), upon the terms and conditions set forth in this Agreement.
2. Transporter’s employees may receive distinct codes and passwords (“USERIDS”) permitting access to Shipper’s proprietary information via the public Internet (“Protected Data”). Shipper agrees and stipulates that any employee permitted by Shipper to access the Internet Website Protected Data shall have the legal authority to act on behalf of Shipper in performing Shipper electronic functions, including those functions which are made available at a later date.
3. Prior to being issued USERIDS, each of Shipper’s authorized employees shall return to Transporter a completed Shipper application attached hereto as Exhibit “A”. Shipper agrees to provide Transporter with a revised Exhibit “A” promptly upon any material change to the information provided therein.
4. Shipper’s USERIDS are confidential and are used to identify Shipper. Shipper agrees that only authorized employees of Shipper will be given Shipper’s USERIDS and only authorized persons will be permitted to access the Protected Data on Shipper’s behalf via the public Internet. Shipper agrees to keep confidential all USERIDS issued by Transporter to Shipper. Shipper further agrees that Shipper and its authorized employees will not disclose its USERIDS to anyone. Shipper shall be responsible for and accepts liability for any use of the Protected Data that is traced to Shipper’s USERIDS.
5. Shipper agrees to promptly notify Transporter if there is any indication that a security breach has occurred with regard to Shipper’s USERIDS. This includes, but is not limited to, (i) loss of confidentiality of USERIDS; (ii) termination of employment of any

- authorized employee; or (iii) loss of authority to access Protected Data by an authorized employee. Such notification shall be made to the [] [name or title of customer support coordinator] immediately by telephone and shall be followed by written notification within five (5) Business Days. Transporter may terminate USERID(S) immediately upon receipt of any such telephonic or written notice.
6. Shipper agrees to protect, indemnify and hold Transporter harmless from any and all damages, losses and liabilities arising out of any breach of confidentiality with respect to the assignment of USERIDS to Shipper's authorized employees, use of USERIDS by Shipper's authorized employees, use by a former authorized person, or use by any unauthorized person who gained knowledge of Shipper's USERIDS; in such connection. Shipper will also defend Transporter at Shipper's expense, if requested by Transporter, or, at Transporter's election, will pay all expenses, fees and other costs (which shall include, but not be limited to, attorneys' fees) as accrued by Transporter in its own defense except in those instances where the damages, losses and liability arise as a result of Transporter's negligence or willful misconduct.
 7. Shipper understands and agrees that Transporter may act, or decline to act, and shall be fully protected by Shipper in acting, or declining to act, in reliance upon any acts or things done or performed by Shipper in respect to all matters conducted via the Internet Website while using USERIDS. Shipper shall hold Transporter harmless and shall release Transporter from any liability arising from or caused by any act, omission or failure by Shipper to act or perform any duty required by a function accessed through USERIDS. Provided, however, Shipper shall not be required to indemnify Transporter for damage arising from any Transporter's negligence or willful misconduct.
 8. Shipper understands and agrees that Transporter shall not be responsible for any omission or failure by Transporter to act or perform any duty requested by a function accessed through USERIDS if such omission or failure to act is caused by or related to data lost in the transmission of such data from Shipper's to Transporter's computer system, power failures, failure of backup systems or any other event beyond the reasonable control of Transporter, in whole or in part, except when such omission or failure occurs because of Transporter's negligence or willful misconduct.
 9. Shipper is advised that Transporter verifies and confirms gas flows on its pipeline system and that the Protected Data includes display of this gas flow confirmation path information. Shipper shall at all times defend, indemnify and hold Transporter harmless from any liability resulting from Shipper's use of the Protected Data via the public Internet, except when the liability results from the Shipper's use of information that was posted due to Transporter's negligence or willful misconduct.
 10. Transporter reserves the right to terminate Shipper's USERIDS in the event Shipper does not comply with any of the provisions in this Agreement or where such USERIDS have not been used to logon to Transporter's Internet Website Protected Data for a period greater than one year.

11. All notice which one party desires to give to the other shall be sent certified mail, return receipt requested, or shall be telecopied (and receipt confirmed) or e-mailed to the addresses and personnel cited on Exhibit "A". Either party may change any of the information provided for purpose of notification upon five (5) days' prior written notice to the other party.
12. This Agreement is at all time subject to, and qualified in all respects by, Transporter's Tariff filed with the Federal Energy Regulatory Commission, including all Rate Schedules, General Terms and Conditions and form agreements which are part thereof, and to Transporter's internal operating procedures and regulations, as they may be amended from time to time.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER

By: _____

Title: _____

TRANSPORTER

Double E Pipeline, LLC

By: _____

Title: _____

RETURN TO: []

EXHIBIT "A"

DOUBLE E PIPELINE, LLC

INTERNET USERID/PASSWORD REQUEST FORM

TYPE OF REQUEST: ADD NEW USER___ Change USERID ___

 Delete USERID ___

Applicant Proprietary Data Rights: UPDATE ONLY ___ VIEW ONLY ___

Company: _____

Company DUNS Number: _____

Address: _____

City, State, and Zip Code: _____

EMPLOYEE (Applicant)

NAME: _____

WORK PHONE: _____ FAX: _____

E-mail Address: _____

It is recognized that the userid and password ("USERIDS") established to access password protected portions of the Internet Website are confidential and are to be used solely by the Applicant hereto. Applicant agrees to keep USERIDS confidential. Applicant agrees to promptly notify Double E Pipeline, LLC ("Transporter") if there is any indication that a security breach has occurred with regard to their USERIDS. Applicant agrees to contact Transporter in regard to any change in job status where access to password protected information is no longer necessary or if Applicant ceases to be employed by the Company referenced above. Such notification shall be made to technical support immediately by telephone and shall be followed by written notification within five (5) Business Days. Transporter may terminate any USERIDS, which Transporter believes in its reasonable judgment to be used in an inappropriate manner or where such USERIDS have not been used to logon to Transporter's Internet Website Protected Data for a period greater than one year.

This Exhibit "A" is associated with the Internet Website Agreement dated _____ between Shipper and Transporter and is subject to the complete terms and conditions thereof.

APPLICANT'S SIGNATURE: _____

DATE: _____

RETURN TO: []

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