

RATE SCHEDULES

INDEX

DESCRIPTION/TITLE

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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 MDQ, at hourly rates up to Shipper's MHQ plus, on an interruptible basis and with no additional charge for the additional hourly flexibility, the additional interruptible hourly quantity determined pursuant to Section 14 of the General Terms and Conditions.
- (c) Transportation Service rendered under this Rate Schedule shall be firm, up to the Primary Route MDQs and MHQs specified in the executed Agreement.

3. RATES

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

3.1 Reservation Rates.

- (a) A Deliverability Reservation Rate, as stated on the Statement of Transportation Rates, shall be paid each Month for each Dekatherm of Shipper's MHQ, multiplied by 24, then multiplied by the number of Days in the Month, plus

- (b) A Capacity Reservation Rate, as stated on the Statement of Transportation Rates, shall be paid each Month for each Dekatherm of Shipper's MDQ, multiplied by the number of Days in the Month.

3.2 Usage Rates.

- (a) The Usage-1 Rate, as stated on the Statement of Transportation Rates, multiplied by that portion of the total quantity of Gas deliveries on any Day pursuant to the Shipper's Agreement which is not in excess of the lower of (i) 110% of the scheduled quantities of Gas under the Agreement for such Day or (ii) the MDQ in effect under the Agreement for such Day.
- (b) The Usage-2 Rate, as stated on the Statement of Transportation Rates, multiplied by that portion of the total quantity of Gas deliveries on any Day pursuant to the Shipper's Agreement which is greater than the lower of (i) 110% of the scheduled quantities of Gas under the Agreement for such Day or (ii) the MDQ in effect under the Agreement for such Day.
- (c) Other Applicable Charges or Surcharges. All applicable surcharges or charges, including, but not limited to those contained in Sections 8 and 23 of the General Terms and Conditions, and as stated on 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 23.2 of the General Terms and Conditions and as stated on the Statement of Additional Charges and Surcharges.

3.4 Negotiated Rates. Shipper and Transporter may mutually agree, pursuant to the provisions of Section 31 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 rate. Any such rates may be based upon a rate design other than straight fixed variable (SFV). Such negotiated rate shall be set forth in an executed Agreement and/or in Transporter's Tariff and may be agreed to in a written agreement between Transporter and Shipper.

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 routes for which a Maximum Rate and Minimum Rate are stated on the Statement of Transportation Rates of this Tariff or a

superseding Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth on such Statement of Transportation Rates. Transporter shall have the right to charge the Maximum 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 ILineSM required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

- 3.6 Failure to Deliver. If on any Day in a Month, due to an event of Force Majeure, Transporter is unable to tender for delivery Transportation volumes, up to Shipper's MDQ and/or MHQ scheduled pursuant to Section 6 of the General Terms and Conditions, Transporter shall calculate a credit for such Day to be included in Shipper's invoice for that Month.

For Shippers paying Recourse Rates, such credit shall be the product of (1) the sum of (a) the Deliverability Reservation Rate multiplied by twenty-four (24) multiplied by Shipper's Hourly Flow Rate and (b) the Capacity Reservation Rate, and (2) the difference between the quantity of Gas nominated and made available for Transportation Service, up to the MDQ and the quantity actually delivered by Transporter for the account of Shipper during such Day. For Shippers paying Negotiated Rates, unless otherwise agreed to in the Negotiated Rate Agreement, such credit shall be the product of (1) the reservation-based portion of the applicable Negotiated Rate in effect for the period of non-delivery, and (2) the difference between the quantity of Gas nominated and made available for Transportation Service up to the MDQ and the quantity actually delivered by Transporter for the account of Shipper during such Day.

4. RECEIPT AND DELIVERY POINTS

- 4.1 The Receipt Point(s) at which Transporter shall receive Gas for Transportation hereunder shall be those listed in Exhibit A attached to Shipper's Agreement and such Exhibit shall designate all of Shipper's potential Receipt Point(s) and shall further designate Shipper's Primary Receipt Point(s).
- 4.2 Upon five (5) Business Days prior notice, Shipper shall have the right to redesignate any points listed on Exhibit A as Primary Receipt Point(s), subject to available capacity and the provisions of the General Terms and Conditions. Furthermore, 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.

- 4.3 Shipper's Primary Delivery Point(s) and/or Shipper's Primary Route 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.
- 4.4 Upon five (5) Business Days prior notice, Shipper shall have the right to redesignate 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.
- 4.5 Shipper shall elect the MHQ for Shipper's Gas at the Primary Delivery Point at the time its request for Transportation Service is submitted to Transporter pursuant to Section 27 of the General Terms and Conditions. Such election may not include more than one MHQ at a Primary Delivery Point at any point in time. Such MHQ shall reflect deliveries at Maximum Hourly Flow Rates of 4.2%, 5.0%, 6.0%, 7.0% or 8.0% of MDQ. Such election by Shipper will be set forth in the Agreement. Deliveries at Secondary Delivery Points up to Shipper's MHQ will be allowed to the extent capacity is available and it is operationally feasible, subject to Section 2(b) of this Rate Schedule.
- 4.6 Subject to mutual agreement and the provisions of Section 12 of the General Terms and Conditions, Shipper shall agree with Transporter as to the minimum delivery pressure at the Delivery Point. Such pressure shall be set forth in Exhibit B to the Agreement.

5. COMMISSION AND OTHER REGULATORY FEES

Shippers will reimburse Transporter for any separately stated fees required by the Commission or any other federal or state regulatory body.

6. GENERAL TERMS AND CONDITIONS

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

7. OPERATIONAL MEETINGS

Transporter shall offer to meet at least once every two years with its Shippers under this Rate Schedule to discuss operational issues. Such meetings may be conducted with one or more Shippers or with individual Shippers meeting at a mutually agreeable time and location.

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 of available capacity as it may be from Day to Day and from time to time within the Gas Day, under current conditions and shall be offered in accordance with the priorities established in the General Terms and Conditions of Transporter's Tariff.

3. **RATES**

Each Month, Shipper will pay Transporter the following rates:

- 3.1 **Usage-1 Rate.** A rate equal to the applicable Usage Rates either as stated on the Statement of Transportation Rates multiplied by each Dekatherm of Gas delivered or as agreed upon in writing between Transporter and Shipper, but in no event will such rate be less than the minimum rate as stated on the Statement of Transportation Rates.
- 3.2 **Usage-2 Rate.** A rate equal to that stated on the Statement of Transportation Rates, multiplied by that portion of the total quantity of Gas deliveries on any Day pursuant to the Agreement, which is greater than the lower of (i) 110% of the scheduled quantities of Gas under the Agreement for such Day or (ii) the MDQ in effect under the Agreement for such Day.

- 3.3 Other Applicable Charges or Surcharges. All applicable surcharges or charges, including, but not limited to, those contained in Sections 8 and 23 of the General Terms and Conditions and as stated on the Statement of Additional Charges and Surcharges multiplied by each Dekatherm of Gas delivered.
- 3.4 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 23.2 of the General Terms and Conditions and as stated on the Statement of Additional Charges and Surcharges.
- 3.5 Negotiated Rates. Shipper and Transporter may mutually agree, pursuant to the provisions of Section 31 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 rate. Such negotiated rate shall be set forth in an executed Agreement and/or in Transporter's Tariff and may be agreed to in a written agreement between Transporter and Shipper.
- 3.6 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 routes for which a Maximum Rate and Minimum Rate are stated on the Statement of Transportation Rates of this Tariff or a superseding Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth on such Statement of Transportation Rates. Transporter shall have the right to charge the Maximum 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 ILineSM required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

4. COMMISSION AND OTHER REGULATORY FEES

Shippers will reimburse Transporter for any separately stated fees required by the Commission or any other federal or state regulatory body.

5. 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. Shipper shall be required to execute a separate Agreement for Parking Service and Lending Service, if Shipper desires both services.

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 transported by Shipper on Transporter's pipeline system to the PALS Point for receipt of parked quantities; (2) Transporter holding the parked quantities on Transporter's pipeline system; and (3) return of the parked quantities to Shipper at delivery point(s) nominated by Shipper, provided, however, that Transporter is not obligated to return parked quantities on the same Day on 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 transportation by Shipper on Transporter's pipeline system to return loaned quantities of Gas to Transporter at the PALS Point, provided, however, that Transporter is not obligated to accept return of loaned Gas on the same Day on which the Gas is loaned.

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 is not performed under this Rate Schedule. Shipper shall make the necessary scheduling arrangements with Transporter for transportation service on Transporter's system to deliver Gas quantities at the PALS Point for Parking service or to return Gas to the PALS Point for Lending service hereunder.

3. RATES

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

3.1 Usage Rates.

- (a) The applicable Usage Rate, as stated on the Statement of Transportation 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/or 23, and as stated on 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 31 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 rate. Such negotiated rate shall be set forth in an executed Agreement and/or in Transporter's Tariff and may be agreed to in a written agreement between Transporter and Shipper.

- 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 Rate and Minimum Rate are stated on the Statement of Transportation Rates of this Tariff or a superseding Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth on such Statement of Transportation Rates. Transporter shall have the right to

charge the Maximum 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 1LineSM required by the Commission's regulations with respect to any charges at less than the Maximum 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 1LineSM, 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 >25% 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 24.1(a) of the General Terms and Conditions.

4.2 In the event parked quantities remain in Transporter's pipeline system and/or loaned quantities have not been returned to Transporter's pipeline 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 >25% 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 24.1(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 other federal or any state regulatory body.

6. GENERAL TERMS AND CONDITIONS

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