

Table of Contents

Tariff Original Volume No. 1

Part 1 Table of Contents

Part 2 Preliminary Statement

Part 3 Maps

Part 4 Statements of Rates

1. Firm Transportation Rate Schedules

1.1 Statement of Rates for Rate Schedule FT-1

1.2 Statement of Rates for Rate Schedule LFT-1

2. Interruptible Transportation Rate Schedules

2.1 Statement of Rates for Rate Schedule IT-1

3. Aggregation and Balancing Services

3.1 Statement of Rates for Rate Schedule PAL

4. Percentages for Applicable Shrinkage

Part 5 Rate Schedules

1. Firm Transportation

1.1 Rate Schedule FT-1

1.2 Rate Schedule LFT-1

2. Interruptible Transportation

2.1 Rate Schedule IT-1

NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff

3. Aggregation and Balancing

3.1 Rate Schedule TABS

3.2 Rate Schedule PAL

Part 6 General Terms and Conditions

1. Definitions

2. Electronic Communication

3. Contracting for Service

4. Credit Evaluation

5. Capacity Release

6. Points of Receipt and Points of Delivery

7. Segmentation of Capacity

8. Quality of Gas

9. Receipt and Delivery Pressures

10. Measurement and Measurement Equipment

11. Nominations

12. Scheduling of Nominations

13. Curtailment

14. Action Alerts and Operational Flow Orders

15. Force Majeure

16. Reservation Charge Credit

17. Determination of Receipts and Deliveries

18. Operational Balancing Agreements

19. Imbalance Resolution Procedures

NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff

20. Billing and Payment
21. Periodic Rate Adjustments
22. Negotiated Rates
23. Discount Terms
24. Standards of Conduct Compliance Procedures
25. Complaint Procedures
26. Permitted Sharing of Non-Public Information
27. North American Energy Standards Board
28. Policy on Fees and Construction of New Facilities
29. Termination for Default
30. Possession of Gas
31. Warranty of Title to Gas
32. Non-discriminatory Waiver of Tariff Provisions
33. Descriptive Headings
34. Governmental Regulations
35. Assignments
36. Non-Recourse Obligation of LLC and Operator
37. Non-Conforming Service Agreements
38. Leased Capacity
39. Off-System Pipeline Capacity
40. Penalties and Penalty Crediting Mechanism

Part 7 Forms of Service Agreement

1. Firm Transportation Services

NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff

1.1 Form of Service Agreement for Rate Schedule FT-1

1.1.1 Exhibit A to the FT-1 Service Agreement

1.1.2 Exhibit B to the FT-1 Service Agreement

1.1.3 Exhibit C to the FT-1 Service Agreement

1.1.4 Exhibit D to the FT-1 Service Agreement

1.2 Form of Service Agreement For Rate Schedule LFT-1

1.2.1 Exhibit A to the LFT-1 Service Agreement

1.2.2 Exhibit B to the LFT-1 Service Agreement

1.2.3 Exhibit C to the LFT-1 Service Agreement

1.2.4 Exhibit D to the LFT-1 Service Agreement

2. Interruptible Transportation Services

2.1 Form of Service Agreement for Rate Schedule IT-1

3. Aggregation and Balancing Services

3.1 Form of Service Agreement for Rate Schedule TABS

3.2 Form of Service Agreement for Rate Schedule PAL

3.2.1 Exhibit A to the PAL Service Agreement

4. Miscellaneous Forms of Service Agreement

4.1 Capacity Release Umbrella Agreement

4.1.1 Addendum to the Capacity Release Umbrella
Agreement

4.2 Multiple Shipper Option Agreement

4.3 LINK® System Agreement

**NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff**

FERC NGA GAS TARIFF
ORIGINAL VOLUME NO. 1
of
NEXUS GAS TRANSMISSION, LLC
FILED WITH
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
Should Be Addressed to:

Janice K. Devers
Director, Tariffs
NEXUS Gas Transmission, LLC
5400 Westheimer Court
Houston, TX 77056-5310
Telephone Number: (713) 627-6170
Facsimile Number: (713) 627-5041
Email: Janice.Devers@enbridge.com

TABLE OF CONTENTS

Original Volume No. 1

Description/Title

Part 2 - Preliminary Statement

Part 3 –Maps

Part 4 - Statements of Rates (Index)

1. Firm Transportation Rate Schedules
 - 1.1 Statement of Rates for Rate Schedule FT-1
 - 1.2 Statement of Rates for Rate Schedule LFT-1
2. Interruptible Transportation Rate Schedules
 - 2.1 Statement of Rates for Rate Schedule IT-1
3. Aggregation and Balancing Services
 - 3.1 Statement of Rates for Rate Schedule PAL
4. Percentages for Applicable Shrinkage

Part 5 - Rate Schedules (Index)

1. Firm Transportation
 - 1.1 Rate Schedule FT-1 – Firm Transportation Service
 - 1.2 Rate Schedule LFT-1 – Limited Firm Transportation Service
2. Interruptible Transportation
 - 2.1 Rate Schedule IT-1 – Interruptible Transportation Service
3. Aggregation and Balancing
 - 3.1 Rate Schedule TABS – Transportation Aggregation Balancing Service
 - 3.2 Rate Schedule PAL – Park and Loan Service

Part 6 - General Terms and Conditions (Index)

1. Definitions
2. Electronic Communication
3. Contracting for Service
4. Credit Evaluation
5. Capacity Release
6. Points of Receipt and Points of Delivery
7. Segmentation of Capacity
8. Quality of Gas
9. Receipt and Delivery Pressures
10. Measurement and Measurement Equipment
11. Nominations
12. Scheduling of Nominations
13. Curtailment
14. Action Alerts and Operational Flow Orders

15. Force Majeure
16. Reservation Charge Credit
17. Determination of Receipts and Deliveries
18. Operational Balancing Agreements
19. Imbalance Resolution Procedures
20. Billing and Payment
21. Periodic Rate Adjustments
22. Negotiated Rates
23. Discount Terms
24. Standards of Conduct Compliance Procedures
25. Complaint Procedures
26. Permitted Sharing of Non-Public Information
27. North American Energy Standards Board ("NAESB")
28. Policy on Fees and Construction of New Facilities
29. Termination for Default
30. Possession of Gas
31. Warranty of Title to Gas
32. Non-discriminatory Waiver of Tariff Provisions
33. Descriptive Headings
34. Governmental Regulations
35. Assignments
36. Non-Recourse Obligation of LLC and Operator
37. Non-Conforming Service Agreements
38. Leased Capacity
39. Off-System Pipeline Capacity
40. Penalties and Penalty Revenue Crediting

Part 7 - Forms of Service Agreement (Index)

1. Firm Transportation Services
 - 1.1 Form of Service Agreement for Rate Schedule FT-1
 - 1.2 Form of Service Agreement for Rate Schedule LFT-1
2. Interruptible Transportation Services
 - 2.1 Form of Service Agreement for Rate Schedule IT-1
3. Aggregation and Balancing Services
 - 3.1 Form of Service Agreement for Rate Schedule TABS
 - 3.2 Form of Service Agreement for Rate Schedule PAL
4. Miscellaneous Forms of Service Agreement
 - 4.1 Capacity Release Umbrella Agreement
 - 4.2 Multiple Shipper Option Agreement
 - 4.3 LINK® System Agreement

Part 8 – Index of Customers

PRELIMINARY STATEMENT

This Federal Energy Regulatory Commission ("Commission") Gas Tariff ("FERC Gas Tariff") is filed by NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company, (NEXUS) in compliance with Part 154, Subchapter E, Chapter 1, Title 18, of the Code of Federal Regulations. This FERC Gas Tariff is in compliance with all applicable Commission regulations and sets forth the terms and conditions of the services provided NEXUS. NEXUS is a Natural Gas company engaged in the business of transporting Natural Gas in interstate commerce under authorization granted by and subject to the jurisdiction of the Commission. Spectra Energy NEXUS Management, LLC shall act as the physical Operator of the NEXUS pipeline system. Nothing in this FERC Gas Tariff is intended to inhibit the development of, or discriminate against the use of, Title Transfer Tracking services or Imbalance Management Services provided by third parties or Customers of NEXUS. Any party interested in providing Title Transfer Tracking services or Imbalance Management Services must coordinate with NEXUS.

The facilities owned by NEXUS consist of a pipeline system which extends from the State of Ohio through the state of Michigan to the international border between Canada and the United States at or near St. Clair, Michigan ("US/Canada Border"). NEXUS will provide firm and interruptible services on certain portions of its pipeline system utilizing capacity leased from DTE Gas, Texas Eastern and Vector U.S. pursuant to capacity lease agreements. NEXUS will provide transportation service from the US/Canada Border through Ontario for deliveries to customers in Canada pursuant to a transportation service agreement that it will enter into with a pipeline(s) that transports Natural Gas within the country of Canada.

The transportation of Natural Gas is undertaken by NEXUS only under a written Service Agreement(s) acceptable to NEXUS after consideration of its commitments to others, delivery capacity and other factors deemed pertinent by NEXUS. If any such Service Agreement is to become operative only upon performance of certain precedent conditions, NEXUS reserves the right to require a separate written agreement specifying the conditions which must be satisfied before the Service Agreement for the transportation of Natural Gas becomes operative.

MAPS

The System and Zone Maps may be displayed and downloaded at the Internet Web sites identified below.

System Map

<https://linkwc.spectraenergy.com/SystemMaps/NEXSystemMap.pdf>

Supply Zone

<https://linkwc.spectraenergy.com/SystemMaps/NEXSystemMapSupplyZone.pdf>

Market Zone 1

<https://linkwc.spectraenergy.com/SystemMaps/NEXSystemMapZone1.pdf>

Market Zone 2

<https://linkwc.spectraenergy.com/SystemMaps/NEXSystemMapZone2.pdf>

STATEMENTS OF RATES
INDEX

Description/Title

1. Firm Transportation Rate Schedules
 - 1.1 Statement of Rates for Rate Schedule FT-1
 - 1.2 Statement of Rates for Rate Schedule LFT-1
2. Interruptible Transportation Rate Schedules
 - 2.1 Statement of Rates for Rate Schedule IT-1
3. Aggregation and Balancing Services
 - 3.1 Statement of Rates for Rate Schedule PAL
4. Percentages for Applicable Shrinkage

**STATEMENTS OF RATES
FOR FIRM TRANSPORTATION RATE SCHEDULES**

Description/Title

- 1.1 Statement of Rates for Rate Schedule FT-1
- 1.2 Statement of Rates for Rate Schedule LFT-1

**Currently Effective Rates
 Applicable to Rate Schedule FT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

FT-1 RESERVATION CHARGES:

Pursuant to Section 3 of Rate Schedule FT-1

Reservation Charge – Maximum (\$/dth/month)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	4.555	29.396	34.826
from Market Zone 1	29.396	24.841	30.271
from Market Zone 2	34.826	30.271	5.430

Reservation Charge – Minimum (\$/dth/month)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

Reservation Charge Credit – Maximum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9664	1.1450
from Market Zone 1	0.9664	0.8167	0.9952
from Market Zone 2	1.1450	0.9952	0.1785

Reservation Charge Credit – Minimum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

**Currently Effective Rates
 Applicable to Rate Schedule FT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

FT-1 USAGE CHARGES:

Pursuant to Section 3 of Rate Schedule FT-1

Usage-1 – Maximum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-1 – Minimum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-2 (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

West of Milford Surcharge (\$/dth/day) 1/ 0.2318

1/ The rate reflected is the 100% load factor equivalent of the maximum reservation charge applicable to deliveries made pursuant to Vector U.S.' Rate Schedule FT-1 in Vector U.S.' Zone 2. Customer may be entitled to a credit against its payment to Pipeline, as set forth in Section 3.3 of Rate Schedule FT-1.

**Currently Effective Rates
 Applicable to Rate Schedule FT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

FT-1 CAPACITY RELEASE RESERVATION CHARGES:

Pursuant to Section 5 of the General Terms and Conditions

Reservation Charge – Maximum (\$/dth/month)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	4.555	29.396	34.826
from Market Zone 1	29.396	24.841	30.271
from Market Zone 2	34.826	30.271	5.430

Reservation Charge – Minimum (\$/dth/month)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

Reservation Charge Credit/Volumetric Reservation Charge – Maximum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9664	1.1450
from Market Zone 1	0.9664	0.8167	0.9952
from Market Zone 2	1.1450	0.9952	0.1785

Reservation Charge Credit/Volumetric Reservation Charge – Minimum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

* Rates are exclusive of surcharges which can also be recovered.

**Currently Effective Rates
 Applicable to Rate Schedule FT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

FT-1 CAPACITY RELEASE USAGE CHARGES:

Pursuant to Section 5 of the General Terms and Conditions

Usage-1 – Maximum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-1 – Minimum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-2 (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

West of Milford Surcharge (\$/dth/day) 1/ 0.2318

* Rates are exclusive of surcharges which can also be recovered.

1/ The rate reflected is the 100% load factor equivalent of the maximum reservation charge applicable to deliveries made pursuant to Vector U.S.' Rate Schedule FT-1 in Vector U.S.' Zone 2. Customer may be entitled to a credit against its payment to Pipeline, as set forth in Section 3.3 of Rate Schedule FT-1.

**Currently Effective Rates
 Applicable to Rate Schedules
 In FERC NGA Gas Tariff, Original Volume No. 1**

LFT-1 RESERVATION CHARGES:

Pursuant to Section 3 of Rate Schedule LFT-1

Reservation Charge – Maximum (\$/dth/month)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	4.555	29.396	34.826
from Market Zone 1	29.396	24.841	30.271
from Market Zone 2	34.826	30.271	5.430

Reservation Charge – Minimum (\$/dth/month)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

Reservation Charge Credit/Limited Day Credit – Maximum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9664	1.1450
from Market Zone 1	0.9664	0.8167	0.9952
from Market Zone 2	1.1450	0.9952	0.1785

Reservation Charge Credit/Limited Day Credit – Minimum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

**Currently Effective Rates
 Applicable to Rate Schedule LFT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

LFT-1 USAGE CHARGES:

Pursuant to Section 3 of Rate Schedule LFT-1

Usage-1 – Maximum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-1 – Minimum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-2 (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

West of Milford Surcharge (\$/dth/day) 1/ 0.2318

1/ The rate reflected is the 100% load factor equivalent of the maximum reservation charge applicable to deliveries made pursuant to Vector U.S.' Rate Schedule FT-1 in Vector U.S.' Zone 2. Customer may be entitled to a credit against its payment to Pipeline, as set forth in Section 3.3 of Rate Schedule LFT-1.

**Currently Effective Rates
 Applicable to Rate Schedule LFT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

LFT-1 CAPACITY RELEASE RESERVATION CHARGES:

Pursuant to Section 5 of the General Terms and Conditions

Reservation Charge – Maximum (\$/dth/month)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	4.555	29.396	34.826
from Market Zone 1	29.396	24.841	30.271
from Market Zone 2	34.826	30.271	5.430

Reservation Charge – Minimum (\$/dth/month)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

Reservation Charge Credit/Limited Day Credit/Volumetric Reservation Charge –
 Maximum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9664	1.1450
from Market Zone 1	0.9664	0.8167	0.9952
from Market Zone 2	1.1450	0.9952	0.1785

Reservation Charge Credit/Limited Day Credit/Volumetric Reservation Charge –
 Minimum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.000	0.000	0.000
from Market Zone 1	0.000	0.000	0.000
from Market Zone 2	0.000	0.000	0.000

* Rates are exclusive of surcharges which can also be recovered.

**Currently Effective Rates
 Applicable to Rate Schedule LFT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

LFT-1 CAPACITY RELEASE USAGE CHARGES:

Pursuant to Section 5 of the General Terms and Conditions

Usage-1 – Maximum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-1 – Minimum (\$/dth/day)*

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-2 (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

West of Milford Surcharge (\$/dth/day) 1/ 0.2318

* Rates are exclusive of surcharges which can also be recovered.

1/ The rate reflected is the 100% load factor equivalent of the maximum reservation charge applicable to deliveries made pursuant to Vector U.S.' Rate Schedule FT-1 in Vector U.S.' Zone 2. Customer may be entitled to a credit against its payment to Pipeline, as set forth in Section 3.3 of Rate Schedule LFT-1.

STATEMENTS OF RATES
FOR INTERRUPTIBLE TRANSPORTATION RATE SCHEDULES

Description/Title

2.1 Statement of Rates for Rate Schedule IT-1

**Currently Effective Rates
 Applicable to Rate Schedule IT-1
 In FERC NGA Gas Tariff, Original Volume No. 1**

IT-1 USAGE CHARGES:

Pursuant to Section 3 of Rate Schedule IT-1

Usage-1 – Maximum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

Usage-1 – Minimum (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.0000	0.0057	0.0057
from Market Zone 1	0.0057	0.0057	0.0057
from Market Zone 2	0.0057	0.0057	0.0000

Usage-2 (\$/dth/day)

	to Supply Zone	to Market Zone 1	to Market Zone 2
from Supply Zone	0.1498	0.9721	1.1506
from Market Zone 1	0.9721	0.8224	1.0009
from Market Zone 2	1.1506	1.0009	0.1785

West of Milford Surcharge (\$/dth/day) 1/ 0.2318

1/ The rate reflected is the 100% load factor equivalent of the maximum reservation charge applicable to deliveries made pursuant to Vector U.S.' Rate Schedule FT-1 in Vector U.S.' Zone 2. Customer may be entitled to a credit against its payment to Pipeline, as set forth in Section 3.3 of Rate Schedule IT-1.

**STATEMENTS OF RATES
FOR AGGREGATION AND BALANCING SERVICES**

Description/Title

3.1 Statement of Rates for Rate Schedule PAL

**Currently Effective Rates
Applicable to Rate Schedule PAL
In FERC NGA Gas Tariff, Original Volume No. 1**

PAL DAILY CHARGES:

Pursuant to Section 3 of Rate Schedule PAL

	RATE (\$/dth/day)	
	<u>Maximum</u>	<u>Minimum</u>
Park and Loan Daily Charges: For Quantities Parked or Loaned in:		
Supply Zone	0.1498	0.0000
Market Zone 1	0.8224	0.0057
Market Zone 2	0.1785	0.0000

**Currently Effective Percentages
 For Applicable Shrinkage
 For ASA Rate Schedules**

Rate Schedules FT-1, LFT-1 and IT-1: *

	<u>To Fuel Area</u>			
	<u>Supply</u> <u>(TEAL)</u> (%)	<u>Market 1</u> <u>(Greenfield)</u> (%)	<u>Market 2</u> <u>(DTE)</u> (%)	<u>Market 3</u> <u>(Vector)</u> (%)
From Supply Fuel Area (TEAL)	0.6000	1.8524	2.8339	3.2226
From Market Fuel Area 1 (Greenfield)	n/a	1.2600	2.2474	2.6384
From Market Fuel Area 2 (DTE)	n/a	n/a	1.0000	1.3960
From Market Fuel Area 3 (Vector)	n/a	n/a	1.3960	0.4000

* The rates are inclusive of fuel on fuel calculations caused by underlying lease contracts/agreements.

Rate Schedules TABS and PAL:

	<u>To Fuel Area</u>			
	<u>Supply</u> <u>(TEAL)</u> (%)	<u>Market 1</u> <u>(Greenfield)</u> (%)	<u>Market 2</u> <u>(DTE)</u> (%)	<u>Market 3</u> <u>(Vector)</u> (%)
From Supply Fuel Area (TEAL)	n/a	n/a	n/a	n/a
From Market Fuel Area 1 (Greenfield)	n/a	0.0000	n/a	n/a
From Market Fuel Area 2 (DTE)	n/a	n/a	n/a	n/a
From Market Fuel Area 3 (Vector)	n/a	n/a	n/a	n/a

RATE SCHEDULES
INDEX

Description/Title

1. Firm Transportation
 - 1.1 Rate Schedule FT-1 – Firm Transportation Service
 - 1.2 Rate Schedule LFT-1 – Limited Firm Transportation Service

2. Interruptible Transportation
 - 2.1 Rate Schedule IT-1 - Interruptible Transportation Service

3. Aggregation and Balancing
 - 3.1 Rate Schedule TABS – Transportation Aggregation Balancing Service
 - 3.2 Rate Schedule PAL – Park and Loan Service

FIRM TRANSPORTATION

Description/Title

- 1.1 Rate Schedule FT-1 – Firm Transportation Service
- 1.2 Rate Schedule LFT-1 – Limited Firm Transportation Service

RATE SCHEDULE FT-1
FIRM TRANSPORTATION SERVICE

1. **AVAILABILITY**

This Rate Schedule is available to any party (hereinafter called "Customer") which has requested firm transportation service pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff and, after review and acceptance of such request by Pipeline, has entered into a Service Agreement with Pipeline for service under Rate Schedule FT-1. Such Service Agreement shall be in the form contained in Pipeline's Tariff of which this Rate Schedule FT-1 is a part. Under this Rate Schedule FT-1, a single FT-1 Service Agreement is available to multiple parties who meet the qualifications set forth in the Multiple Shipper Option Agreement and such agreement has been executed by all relevant parties.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1 Transportation service under this Rate Schedule will be firm, except as provided herein and in Pipeline's General Terms and Conditions. Service under this Rate Schedule does not constitute No-notice Service as that term is used in Order No. 636.
- 2.2 Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Customer's Service Agreement or at those points on Pipeline's system available to Customer pursuant to Section 6 of the General Terms and Conditions (hereinafter referred to as "Point(s) of Receipt"), for transportation hereunder daily Quantities of Gas up to Customer's Maximum Daily Quantity (MDQ), plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account at those points on Pipeline's system as specified in Customer's Service Agreement or those points available to Customer pursuant to Section 6 of the General Terms and Conditions (hereinafter referred to as "Point(s) of Delivery"), such daily Quantities of Gas tendered up to such Customer's MDQ. Customer's MDQ shall be a uniform quantity throughout the contract year, and shall be specified in Exhibit D to Customer's Service Agreement.
- 2.3 Upon request by Customer, Pipeline will estimate the facilities and costs required to provide a firm Maximum Hourly Quantity (MHQ) at any Primary Point of Delivery under Customer's Service Agreement. Subject to the agreement between Pipeline and Customer on an appropriate rate or cost reimbursement for such MHQ facilities, the receipt of all necessary approvals for construction of such facilities on terms and conditions acceptable to Pipeline and Customer, and the placement of such facilities into service, as well as Pipeline's finding that such enhanced service for Customer will not have an adverse impact on existing firm Customers, such MHQ shall be specified in Exhibit B to Customer's Service

Agreement. Such MHQ will not limit Customer's right to hourly flow flexibility that otherwise would be available to customers under Rate Schedule FT-1.

- 2.4 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Customer pursuant to this Rate Schedule. Pipeline may, at its option, add facilities or expand capacity to provide such transportation service, pursuant to Section 28 of the General Terms and Conditions.

3. RATES

- 3.1 The applicable recourse rates for service hereunder in each Zone are set forth in the currently effective Statement of Rates for Rate Schedule FT-1 of Pipeline's Tariff and are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Section 21 of the General Terms and Conditions. Unless Pipeline and Customer agree upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Recourse Rate(s) as set forth on the currently effective Statement of Rates for Rate Schedule FT-1. In the event that Pipeline and Customer agree to a rate pursuant to Section 22 or Section 23 of the General Terms and Conditions, such rate shall be applicable for the period agreed upon by Customer and Pipeline.
- 3.2 Customer shall pay Pipeline each month the sum of the charges set forth in this Section 3.2 for service provided to Customer under this Rate Schedule FT-1:
- (A) Reservation Charge. The Reservation Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by Customer's Transportation Path Quantity.
- (B) Monthly Usage Charge consisting of the sum of the following daily charges:
- (1) The Usage-1 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is not in excess of 110% of scheduled service levels for such Day.
- (2) The Usage-2 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is in excess of 110% of scheduled service levels for such Day.

Usage-1 Charge Rates and Usage-2 Charge Rates will be assessed upon the Zones of initial receipt and ultimate delivery of each Dth on Pipeline's system.

(C) West of Milford Surcharge. The West of Milford Surcharge Rate, as determined pursuant to Section 3.1 herein, multiplied by the total Quantity of Gas delivered within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, on any Day pursuant to Customer's Service Agreement.

3.3 The West of Milford Surcharge Credit shall be applicable to any Customer making deliveries within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, in the event, and to the extent, that (i) Pipeline's payment to Vector U.S. pursuant to the Vector U.S. Lease is based on a rate that is less than the 100% load factor rate applicable to deliveries made in Vector U.S.' Zone 2 pursuant to Vector U.S.' Rate Schedule FT-1, and (ii) the rate paid by such Customer to Pipeline is greater than the rate paid by Pipeline to Vector U.S. for deliveries within the West of Milford Path. The credit shall be calculated upon receipt of Pipeline's invoice from Vector U.S. for service provided to Pipeline by Vector U.S. and shall be included on Customer's next monthly invoice for service provided by Pipeline pursuant to this Rate Schedule FT-1.

3.4 The Reservation Charge Credit (as set forth on the Statement of Rates for Rate Schedule FT-1 of Pipeline's Tariff, as such Statement of Rates may be revised, superseded or supplemented from time to time) shall be applied to the Reservation Charge hereunder pursuant to the provisions of Section 16 of the General Terms and Conditions.

3.5 Scheduling Penalty Credits. Any revenues received by Pipeline as a result of the operation of Section 3.2(B)(2) above will be credited pursuant to Section 40.1 of the General Terms and Conditions.

4. POINTS OF RECEIPT AND DELIVERY

See Section 6 of Pipeline's General Terms and Conditions.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of Natural Gas on any Day under this Rate Schedule, Customer must submit a nomination for service in accordance with Section 11 of the General Terms and Conditions.

6. DETERMINATION OF DELIVERIES

6.1 If Pipeline delivers Natural Gas to Customer under this Rate Schedule at the same Point(s) of Delivery on the same Day that Pipeline delivers Natural Gas to Customer under any other Rate Schedule, then the Quantity of Gas delivered under this Rate Schedule shall be determined in accordance with the provisions of Section 17 of the General Terms and Conditions.

6.2 Hourly Flow Quantities.

Except as set forth in this Section 6.2, Pipeline will not be obligated to receive, transport or deliver Natural Gas under any Service Agreement at an hourly flow rate that differs from 1/24th of the scheduled daily quantity. With respect to Primary Points of Delivery subject to an MHQ, Customer shall be entitled to accept delivery of Gas on a firm basis from Pipeline pursuant to this Rate Schedule at such Primary Point of Delivery at a flow rate per hour that is different than 1/24th of the scheduled daily quantity, up to the applicable quantity as specified in Exhibit B to Customer's Service Agreement. In no event shall Customer be entitled to a delivery of a Quantity of Gas on any Day in excess of Customer's MDQ.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where Pipeline, on any Day is unable to receive and/or deliver the total requests of all Customers on Pipeline's system, then Pipeline shall limit receipts and/or deliveries of Gas hereunder in accordance with Sections 12 and 13 of the General Terms and Conditions.

8. IMBALANCES

Except to the extent Point of Receipt and Point of Delivery imbalances are reconciled and resolved in accordance with Customer's Service Agreement for service under Rate Schedule TABS, imbalances shall be reconciled and resolved pursuant to Section 19 of the General Terms and Conditions.

9. GOVERNMENTAL AUTHORIZATIONS

Transportation service under executed FT-1 Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

10. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a

conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or the Service Agreement under this Rate Schedule shall control.

RATE SCHEDULE LFT-1
LIMITED FIRM TRANSPORTATION SERVICE

1. **AVAILABILITY**

This Rate Schedule is available to any party (hereinafter called "Customer") which has requested limited firm transportation service pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff and, after review and acceptance of such request by Pipeline, has entered into a Service Agreement with Pipeline for service under Rate Schedule LFT-1. Such Service Agreement shall be in the form contained in Pipeline's Tariff of which this Rate Schedule LFT-1 is a part. Under this Rate Schedule LFT-1, a single LFT-1 Service Agreement is available to multiple parties who meet the qualifications set forth in the Multiple Shipper Option Agreement and such agreement has been executed by all relevant parties.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

2.1 Transportation service under this Rate Schedule will be firm, subject to Pipeline's right not to schedule service on Customer's Service Agreement on any Day ("Limited Day"), up to and including the maximum number of Limited Days agreed upon by Pipeline and Customer and specified in Exhibit D to Customer's Service Agreement, except as further provided herein and in Pipeline's General Terms and Conditions. Service under this Rate Schedule does not constitute No-notice Service as that term is used in Order No. 636. Service scheduled under Rate Schedule LFT-1 shall be considered firm service and subject to all applicable provisions of Pipeline's General Terms and Conditions including, but not limited to, the nomination, scheduling, curtailment, segmentation and capacity release procedures set forth in Pipeline's General Terms and Conditions.

2.2 Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Customer's Service Agreement or at those points on Pipeline's system available to Customer pursuant to Section 6 of the General Terms and Conditions (hereinafter referred to as "Point(s) of Receipt"), for transportation hereunder daily Quantities of Gas up to Customer's Maximum Daily Quantity (MDQ), plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account at those points on Pipeline's system as specified in Customer's Service Agreement or those points available to Customer pursuant to Section 6 of the General Terms and Conditions (hereinafter referred to as "Point(s) of Delivery"), such daily Quantities of Gas tendered up to such Customer's MDQ. Customer's MDQ shall be a uniform quantity throughout the contract year, and shall be specified in Exhibit D to Customer's Service Agreement.

2.3 Limited Days.

- (A) Pipeline shall have the right to not schedule service on Customer's Service Agreement during any nomination cycle for a Day that has been determined to be a Limited Day. Such Limited Days may be consecutive or non-consecutive. A Day shall be considered to be a Limited Day whenever capacity in any part of Customer's nomination path is determined to be unavailable and Gas shall not flow on such Day under Customer's Service Agreement for service under Rate Schedule LFT-1. The declaration of a Limited Day for the purposes of scheduling a Customer's nomination shall be made solely by Pipeline's reasonable discretion in a not unduly discriminatory manner.
- (B) On any Limited Day for which Customer's nomination pursuant to this Rate Schedule LFT-1 is not scheduled by Pipeline, Customer may resubmit the nomination, or any portion thereof, in a subsequent nomination cycle pursuant to any other Rate Schedule, provided that Customer has executed a Service Agreement under such other Rate Schedule.
- (C) All Replacement Customers must accept the same provisions regarding and circumstances relating to Limited Days as are applicable to the Releasing Customer's Service Agreement, including the number of Limited Days remaining in an applicable defined period.
- (D) On any Limited Day, as determined pursuant to Section 2.3(A) above, a Customer that did not acquire its capacity via the capacity release mechanism set forth in Section 5 of the General Terms and Conditions ("Capacity Release") may be entitled to a Limited Day Credit calculated pursuant to (i) Section 3.5(A) of this Rate Schedule LFT-1 if such Customer is paying Pipeline's maximum Reservation Charge Rate (as set forth on the Statement of Rates for Rate Schedule LFT-1, as such Statement of Rates may be revised, superseded or supplemented from time to time), or (ii) Section 3.5(C) of this Rate Schedule LFT-1 if such Customer has a discounted rate or a Negotiated Rate as set forth in a Discount Confirmation or a Negotiated Rate Agreement, as applicable, which provides for such credit. A Customer that acquired its capacity via Capacity Release ("Replacement Customer") may be entitled to a Limited Day Credit calculated pursuant to Section 3.5(B) of this Rate Schedule LFT-1 if the Customer from whom the capacity was acquired ("Releasing Customer") could be entitled to such credit for a Limited Day for the Releasing Customer's LFT-1 Service Agreement.

- 2.4 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to

Customer pursuant to this Rate Schedule. Pipeline may, at its option, add facilities or expand capacity to provide such transportation service, pursuant to Section 28 of the General Terms and Conditions.

3. RATES

3.1 The applicable recourse rates for service hereunder in each Zone are set forth in the currently effective Statement of Rates for Rate Schedule LFT-1 of Pipeline's Tariff and are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Section 21 of the General Terms and Conditions. Unless Pipeline and Customer agree upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Recourse Rate(s) as set forth on the currently effective Statement of Rates for Rate Schedule LFT-1. In the event that Pipeline and Customer agree to a rate pursuant to Section 22 or Section 23 of the General Terms and Conditions, such rate shall be applicable for the period agreed upon by Customer and Pipeline.

3.2 Customer shall pay Pipeline each month the sum of the charges set forth in this Section 3.2 for service provided to Customer under this Rate Schedule LFT-1:

(A) Reservation Charge. The Reservation Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by Customer's Transportation Path Quantity.

(B) Monthly Usage Charge consisting of the sum of the following daily charges:

(1) The Usage-1 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is not in excess of 110% of scheduled service levels for such Day.

(2) The Usage-2 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is in excess of 110% of scheduled service levels for such Day.

Usage-1 Charge Rates and Usage-2 Charge Rates will be assessed upon the Zones of initial receipt and ultimate delivery of each Dth on Pipeline's system.

- (C) West of Milford Surcharge. The West of Milford Surcharge Rate, as determined pursuant to Section 3.1 herein, multiplied by the total Quantity of Gas delivered within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, on any Day pursuant to Customer's Service Agreement.
- 3.3 The West of Milford Surcharge Credit shall be applicable to any Customer making deliveries within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, in the event, and to the extent, that (i) Pipeline's payment to Vector U.S. pursuant to the Vector U.S. Lease is based on a rate that is less than the 100% load factor rate applicable to deliveries made in Vector U.S.' Zone 2 pursuant to Vector U.S.' Rate Schedule FT-1, and (ii) the rate paid by such Customer to Pipeline is greater than the rate paid by Pipeline to Vector U.S. for deliveries within the West of Milford Path. The credit shall be calculated upon receipt of Pipeline's invoice from Vector U.S. for service provided to Pipeline by Vector U.S. and shall be included on Customer's next monthly invoice for service provided by Pipeline pursuant to this Rate Schedule LFT-1.
- 3.4 The Reservation Charge Credit (as set forth on the Statement of Rates for Rate Schedule LFT-1 of Pipeline's Tariff, as such Statement of Rates may be revised, superseded or supplemented from time to time), shall be applied to the Reservation Charge hereunder pursuant to the provisions of Section 16 of the General Terms and Conditions.
- 3.5 Limited Day Credit.
- (A) In the event that a Limited Day declared by Pipeline results in a nomination(s) submitted by a Customer that did not acquire its capacity via the capacity release mechanism set forth in Section 5 of the General Terms and Conditions not being scheduled by Pipeline pursuant to Section 12 of the General Terms and Conditions, and the rates applicable to Customer are the Maximum Recourse Rates for service under this Rate Schedule LFT-1, Customer shall be entitled to a Limited Day Credit calculated as the product of (i) the daily LFT-1 Limited Day Credit (as set forth on the Statement of Rates for Rate Schedule LFT-1, as such Statement of Rates may be revised, superseded or supplemented from time to time), (ii) the Transportation Path Quantity specified on Exhibit D to Customer's LFT-1 Service Agreement, and (iii) the number of Limited Days declared during the applicable Month that affected such Customer.
- (B) In the event that a Limited Day declared by Pipeline results in a nomination(s) submitted by a Replacement Customer not being scheduled by Pipeline, such Replacement Customer is entitled to a Limited Day Credit calculated as the product of (i) the daily reservation charge

applicable to such Replacement Customer's LFT-1 Service Agreement, (ii) the Transportation Path Quantity applicable to such Replacement Customer's LFT-1 Service Agreement, and (iii) the number of Limited Days declared during the Month that affected such Replacement Customer. However, the amount of the credit to which the aggregate of all of the replacement Service Agreements (whether one or more times removed) generated from an original releasing Service Agreement would be entitled cannot exceed the amount of the Limited Day Credit to which the original releasing Service Agreement would have been entitled had the Limited Day been declared for the Releasing Customer's LFT-1 Service Agreement.

- (C) If a discounted or a negotiated Reservation Charge Rate is applicable to Customer's LFT-1 Service Agreement, the calculation of any Limited Day Credit for Customer and/or Replacement Customer shall be as set forth in the Discount Confirmation or the Negotiated Rate Agreement, as appropriate.

3.6 Scheduling Penalty Credits. Any revenues received by Pipeline as a result of the operation of Section 3.2(B)(2) above will be credited pursuant to Section 40.1 of the General Terms and Conditions.

4. POINTS OF RECEIPT AND DELIVERY

See Section 6 of Pipeline's General Terms and Conditions.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of Natural Gas on any Day under this Rate Schedule, Customer must submit a nomination for service in accordance with Section 11 of the General Terms and Conditions.

With the exception of Customer's nominations that Pipeline does not schedule due to the declaration of a Limited Day, Customer's nomination(s) under this Rate Schedule shall be scheduled in accordance with the priorities for firm services set forth in Sections 12.2(A)(1), 12.2(A)(2), 12.2(B)(1) and 12.2(B)(2), as applicable, of the General Terms and Conditions.

6. DETERMINATION OF DELIVERIES

If Pipeline delivers Natural Gas to Customer under this Rate Schedule at the same Point(s) of Delivery on the same Day that Pipeline delivers Natural Gas to Customer under any other Rate Schedule, then the Quantity of Gas delivered under this Rate Schedule shall be determined in accordance with the provisions of Section 17 of the General Terms and Conditions.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where Pipeline, on any Day is unable to receive and/or deliver the total requests of all Customers on Pipeline's system, then Pipeline shall limit receipts and/or deliveries of Gas hereunder in accordance with Sections 12 and 13 of the General Terms and Conditions.

8. IMBALANCES

Except to the extent Point of Receipt and Point of Delivery imbalances are reconciled and resolved in accordance with Customer's Service Agreement for service under Rate Schedule TABS, imbalances shall be reconciled and resolved pursuant to Section 19 of the General Terms and Conditions.

9. GOVERNMENTAL AUTHORIZATIONS

Transportation service under executed LFT-1 Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

10. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or the Service Agreement under this Rate Schedule shall control.

INTERRUPTIBLE TRANSPORTATION

Description/Title

2.1 Rate Schedule IT-1 – Interruptible Transportation Service

RATE SCHEDULE IT-1
INTERRUPTIBLE TRANSPORTATION SERVICE

1. **AVAILABILITY**

This Rate Schedule is available to any party (hereinafter called ("Customer")) which has requested interruptible transportation service pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff and, after review and acceptance of such request by Pipeline, has entered into a Service Agreement with Pipeline for service under Rate Schedule IT-1. Such Service Agreement shall be in the form contained in Pipeline's Tariff of which this Rate Schedule IT-1 is a part.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

2.1 Transportation service under this Rate Schedule will be interruptible, as provided herein and in Pipeline's General Terms and Conditions. Service under this Rate Schedule does not constitute No-notice Service as that term is used in Order No. 636.

2.2 Pipeline shall receive for Customer's account, at the Point(s) of Receipt, for transportation hereunder daily Quantities of Gas up to Customer's Maximum Daily Quantity (MDQ), plus Applicable Shrinkage. Customer's MDQ shall be specified in Customer's Service Agreement. Pipeline shall transport and deliver for Customer's account, at the Point(s) of Delivery, such daily Quantities of Gas tendered up to such Customer's MDQ.

2.3 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Customer pursuant to this Rate Schedule. Pipeline is free at any time to enter into a Service Agreement(s) with other parties for new transportation services (whether firm or interruptible) without liability to Customer for any resulting interruption or reduction of transportation service hereunder. Pipeline may, at its option, add facilities or expand capacity to provide such transportation service, pursuant to Section 28 of the General Terms and Conditions.

3. **RATES**

3.1 The applicable recourse rates for service hereunder in each Zone are set forth in the currently effective Statement of Rates for Rate Schedule IT-1 of Pipeline's Tariff and are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Section 21 of the General Terms and Conditions. Unless Pipeline and Customer agree upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Recourse Rate(s) as set forth on the currently effective Statement of Rates for Rate Schedule IT-1. In the event that Pipeline and

Customer agree to a rate pursuant to Section 22 or Section 23 of the General Terms and Conditions, such rate shall be applicable for the period agreed upon by Customer and Pipeline.

3.2 Customer shall pay Pipeline each month the sum of the charges set forth in this Section 3.2 for service provided to Customer under this Rate Schedule IT-1:

(A) Monthly Usage Charge consisting of the sum of the following daily charges:

(1) The Usage-1 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is not in excess of 110% of scheduled service levels for such Day.

(2) The Usage-2 Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by that portion of the total Quantity of Gas delivered on any Day pursuant to Customer's Service Agreement, which is in excess of 110% of scheduled service levels for such Day.

Usage-1 Charge Rates and Usage-2 Charge Rates will be assessed upon the Zones of initial receipt and ultimate delivery of each Dth on Pipeline's system.

(B) West of Milford Surcharge. The West of Milford Surcharge Rate, as determined pursuant to Section 3.1 herein, multiplied by the total Quantity of Gas delivered within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, on any Day pursuant to Customer's Service Agreement.

3.3 The West of Milford Surcharge Credit shall be applicable to any Customer making deliveries within the West of Milford Path, as such term is defined in Section 1 of the General Terms and Conditions, in the event, and to the extent, that (i) Pipeline's payment to Vector U.S. pursuant to the Vector U.S. Lease is based on a rate that is less than the 100% load factor rate applicable to deliveries made in Vector U.S.' Zone 2 pursuant to Vector U.S.' Rate Schedule FT-1, and (ii) the rate paid by such Customer to Pipeline is greater than the rate paid by Pipeline to Vector U.S. for deliveries within the West of Milford Path. The credit shall be calculated upon receipt of Pipeline's invoice from Vector U.S. for service provided to Pipeline by Vector U.S. and shall be included on Customer's next monthly invoice for service provided by Pipeline pursuant to this Rate Schedule IT-1.

3.4 Scheduling Penalty Credits. Any revenues received by Pipeline as a result of the operation of Section 3.2(A)(2) above will be credited pursuant to Section 40.1 of the General Terms and Conditions.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of Natural Gas on any Day under this Rate Schedule, Customer must submit a nomination for service in accordance with Section 11 of the General Terms and Conditions.

5. DETERMINATION OF DELIVERIES

If Pipeline delivers Natural Gas to Customer under this Rate Schedule at the same Point(s) of Delivery on the same Day that Pipeline delivers Natural Gas to Customer under any other Rate Schedule, then the Quantity of Gas delivered under this Rate Schedule shall be determined in accordance with the provisions of Section 17 of the General Terms and Conditions.

6. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where Pipeline, on any Day is unable to receive and/or deliver the total requests of all Customers on Pipeline's system, then Pipeline shall limit receipts and/or deliveries of Gas hereunder in accordance with Sections 12 and 13 of the General Terms and Conditions.

7. IMBALANCES

Except to the extent Point of Receipt and Point of Delivery imbalances are reconciled and resolved in accordance with Customer's Service Agreement for service under Rate Schedule TABS, imbalances shall be reconciled and resolved pursuant to Section 19 of the General Terms and Conditions.

8. GOVERNMENTAL AUTHORIZATIONS

Transportation service under executed IT-1 Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or the Service Agreement under this Rate Schedule shall control.

AGGREGATION AND BALANCING

Description/Title

- 3.1 Rate Schedule TABS – Transportation Aggregation Balancing Service
- 3.2 Rate Schedule PAL – Park and Loan Service

RATE SCHEDULE TABS
TRANSPORTATION AGGREGATION BALANCING SERVICE

1. **AVAILABILITY**

This Rate Schedule is available to any party (hereinafter called "the TABS Party") which has requested transportation aggregation balancing service ("TABS") or Title Transfer Tracking service pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff and, after review and acceptance of such request by Pipeline, has entered into a Service Agreement with Pipeline for service under Rate Schedule TABS. Such Service Agreement shall be in the form contained in Pipeline's Tariff of which this Rate Schedule TABS is a part. In addition, this Rate Schedule is available to any Third Party Account Administrator (hereinafter called a "3PAD") who has either (i) been designated as an agent for a TABS Party, or (ii) executed a Service Agreement with Pipeline for service under this Rate Schedule TABS. For the purposes of this Rate Schedule TABS, the term "TABS Party" shall also refer to a 3PAD.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1 This Rate Schedule TABS permits the TABS Party to assume the primary responsibility of matching the tender and receipt of Gas by Pipeline with scheduled quantities pursuant to a nomination under Pipeline's applicable Rate Schedule(s). In addition, the TABS Party assumes the responsibility of assuring compliance with all terms and conditions governing the receipt of Gas by Pipeline and Customer's obligations with respect thereto. This Rate Schedule also permits a 3PAD to submit nominations to Pipeline to reflect that the 3PAD is providing a Title Transfer Tracking service independently of such service provided by Pipeline.
- 2.2 **TABS Points.** Pipeline shall permit a TABS Party to aggregate supply pursuant to this Rate Schedule TABS from any or all of the Point(s) of Receipt located on Pipeline's mainline system within segments of Pipeline's system corresponding to the point(s) identified on Pipeline's Internet Web Site as available for service under Rate Schedule TABS ("TABS Point(s)"). Pipeline may, at its sole discretion, post from time to time additions to or deletions from the list of TABS Points.
- 2.3 Allocation methodologies shall be required from the TABS Party for the TABS Point(s) in accordance with Section 17.2 of the General Terms and Conditions.
- 2.4 To the extent Gas attributable to a TABS Party is tendered or caused to be tendered to Pipeline for subsequent allocation as receipts under Service Agreements under Pipeline's applicable Rate Schedule(s), any imbalance between actual receipts and scheduled quantities under such applicable Service Agreements attributable to such Gas tenders shall be the primary responsibility of

the TABS Party and shall be resolved pursuant to Section 4 of this Rate Schedule TABS. Customer under the applicable Service Agreement(s) shall have no cost responsibility, absent default of the TABS Party, for such imbalances.

- 2.5 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide service to a TABS Party pursuant to this Rate Schedule. Pipeline may, at its option, add facilities or expand capacity to provide such service, pursuant to Section 28 of the General Terms and Conditions.

3. NOMINATIONS AND SCHEDULING

- 3.1 Nominations to deliver Gas into a TABS Point must be submitted, in accordance with Section 11 of the General Terms and Conditions, on the TABS Party's Service Agreement(s) under Rate Schedule TABS or by a nomination on a Customer's Service Agreement(s) under any other Rate Schedule contained in Pipeline's Tariff. Nominations to receive Gas out of a TABS Point must be submitted, in accordance with Section 11 of the General Terms and Conditions, on a Customer's Service Agreement(s) pursuant to any Rate Schedule(s) contained in Pipeline's Tariff; provided, however, nominations to receive Gas out of a TABS Point for delivery into another TABS Point must be submitted on a Customer's Service Agreement(s) pursuant to any transportation Rate Schedule(s) contained in Pipeline's Tariff. Such nominations shall be scheduled in accordance with Section 12 of the General Terms and Conditions.
- 3.2 TABS Party shall specify a ranking for each transaction nominated into and out of its TABS Point in accordance with Section 11 of the General Terms and Conditions. In the event that Pipeline needs to balance Quantities of Gas for any Gas Day to ensure that Quantities of Gas scheduled into and out of the TABS Points are in balance, Pipeline shall utilize the most recent rankings provided by TABS Party for such Gas Day; if the TABS Party did not provide such rankings for all affected transactions, Pipeline will reduce Quantities of Gas on a prorata basis according to the nominated quantities for such Gas Day.

4. IMBALANCE RESOLUTION

- 4.1 It is the intent of the parties that the daily Quantities of Gas delivered into and received out of each TABS Point for each Gas Day will balance. However, the parties recognize that operational variances may occur. Based on the information available, Pipeline will provide notice to the TABS Party of any imbalance situation which has occurred or may occur unless corrective action is taken. Pipeline shall have the right to force-balance the TABS Party's TABS Point within a specified tolerance as determined by Pipeline at any time during the Gas Day and/or at the end of the Gas Day. Customers will be notified of any reduction set forth in Section 3.2 of this Rate Schedule TABS.

- 4.2 Daily Imbalances. If an imbalance exists between Quantities of Gas delivered into the TABS Point and the Quantities of Gas delivered out of the TABS Point at any time during the Gas Day, TABS Party shall, prior to the nomination deadline for the applicable NAESB standard nomination cycle described in Section 11.3 or Section 11.5(A), as applicable, of the General Terms and Conditions or the end of such Gas Day, as applicable, submit such nomination(s) as are necessary to adjust its scheduled quantities in order to ensure that the Quantities of Gas scheduled into and out of the TABS Point under the TABS Party's Service Agreement for such Gas Day are balanced. Subject to Pipeline's approval, all or a portion of such imbalance quantity may be nominated as a park or a loan transaction. Without limiting Pipeline's right to force-balance as provided in Section 4.1 of this Rate Schedule TABS, Pipeline shall also have the right to force-balance TABS Party's TABS Point at any time during the Gas Day or at the end of the Gas Day in accordance with Section 3.2 of this Rate Schedule.
- 4.3 End of Month Imbalances. Following the end of the Month, TABS Party will have the right to minimize, pursuant to Section 19.5 of the General Terms and Conditions, the monthly imbalances allocated to TABS Party's TABS Service Agreement for that Month. Any monthly imbalance remaining after the operation of this Section 4.3 will be resolved in accordance with Section 19 of the General Terms and Conditions.

5. GOVERNMENTAL AUTHORIZATIONS

Service under executed TABS Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or the Service Agreement under this Rate Schedule shall control. For purposes of the applicable General Terms and Conditions of Pipeline's Tariff, references to Customer shall refer to the TABS Party.

RATE SCHEDULE PAL
PARK AND LOAN SERVICE

1. **AVAILABILITY**

This Rate Schedule is available for parking and loaning of Natural Gas on an interruptible basis by Pipeline for any party (hereinafter called "Customer") which has requested Park and Loan (PAL) Service pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff, and after review and acceptance of such request by Pipeline, has entered into a Service Agreement for service under Rate Schedule PAL, and Customer and Pipeline have executed a Service Agreement under any of Pipeline's transportation Rate Schedules which provide for the transportation of Quantities of Gas to or from the PAL Point(s) of Transaction. Such Service Agreement under Rate Schedule PAL shall be in the form contained in Pipeline's Tariff of which this Rate Schedule is a part.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

2.1 Park and Loan Service under this Rate Schedule shall be interruptible, as provided herein, in the effective PAL Service Agreement and in Pipeline's General Terms and Conditions. Individual park and/or loan services provided under this Rate Schedule shall be provided for a minimum of one (1) Day or such longer period as agreed to by Customer and Pipeline, as specified in Exhibit(s) A to Customer's PAL Service Agreement. Services shall be properly nominated pursuant to Section 11 of the General Terms and Conditions and such nominations shall include, without limitation, the term of the transaction, the quantity to be parked or loaned, as applicable, the PAL Point(s) of Transaction, and all other information required for a nomination under Section 11 of the General Terms and Conditions. Service under this Rate Schedule does not constitute No-notice Service as that term is used in Order No. 636.

2.2 Park service is an interruptible service pursuant to which Pipeline will: (a) receive Quantities of Gas for Customer's account at the nominated PAL Point(s) of Transaction, (b) hold such Quantities of Gas, and (c) return such Quantities of Gas to Customer at the PAL Point(s) of Transaction where Pipeline received the Gas. The maximum Quantity of Gas in Customer's account as park service on any Day ("Park Balance") shall not exceed the Maximum Park Quantity ("MPQ") shown in Exhibit(s) A to Customer's PAL Service Agreement. However, under all such nominations made pursuant to an Exhibit A, Pipeline shall not be obligated on any Day to receive a total Quantity of Gas from Customer for both park service and returned loans that exceeds the Maximum Daily PAL Injection Quantity set forth in the applicable Exhibit A to Customer's PAL Service Agreement. Pipeline shall subsequently return such parked Quantities of Gas to Customer at the PAL Point of Transaction where Customer tendered such parked Quantities of Gas to Pipeline, subject to Section 11 of the General Terms and Conditions. However, under all such nominations made pursuant to an Exhibit A,

Pipeline shall not be obligated on any Day to deliver a total Quantity of Gas to Customer for both loan service and returned parks that exceeds the Maximum Daily PAL Withdrawal Quantity set forth in the applicable Exhibit A to Customer's PAL Service Agreement.

- 2.3 Loan service is an interruptible service pursuant to which Pipeline will: (a) deliver Quantities of Gas for Customer's account, from the nominated PAL Point(s) of Transaction, and (b) subsequently receive such Quantities of Gas at the PAL Point(s) of Transaction where Pipeline delivered the Gas subject to Section 11 of the General Terms and Conditions. The maximum Quantity of Gas in Customer's account as loan service on any Day ("Loan Balance") shall not exceed the Maximum Loan Quantity ("MLQ") shown in Exhibit(s) A to Customer's PAL Service Agreement. However, under all such nominations made pursuant to an Exhibit A, Pipeline shall not be obligated on any Day to deliver a total Quantity of Gas to Customer for both loan service and returned parks that exceeds the Maximum Daily PAL Withdrawal Quantity set forth in the applicable Exhibit A to Customer's PAL Service Agreement. Also, under all such nominations made pursuant to an Exhibit A, Pipeline shall not be obligated on any Day to receive a total Quantity of Gas from Customer for both park service and returned loans that exceeds the Maximum Daily PAL Injection Quantity set forth in the applicable Exhibit A to Customer's PAL Service Agreement.
- 2.4 Service under this Rate Schedule shall be made available on a first come, first served basis, to any Customer willing to pay the applicable Maximum Recourse Rates or such other rate mutually agreed upon by Customer and Pipeline, subject to all applicable provisions of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part.
- 2.5 Interruptible parking and loaning of Natural Gas under this Rate Schedule shall be provided when and to the extent that Pipeline determines, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide the service without detriment or disadvantage to Pipeline's firm obligations or other interruptible services during the transaction period specified in Exhibit(s) A to Customer's PAL Service Agreement. Existing Quantities of Gas parked or loaned cannot be bumped by new requests for park and/or loan service.
- 2.6 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide service to Customer pursuant to this Rate Schedule. Pipeline is free at any time to enter into a Service Agreement(s) with other parties for new transportation services (whether firm or interruptible) and/or new service under this Rate Schedule without liability to Customer for any resulting interruption or reduction of transportation service hereunder. Pipeline may, at its option, add facilities or expand capacity to provide such service, pursuant to Section 28 of the General Terms and Conditions.

3. RATES

- 3.1 The applicable rates for service hereunder are set forth in the currently effective Statement of Rates for Rate Schedule PAL of Pipeline's Tariff and such Statement of Rates is hereby incorporated herein by reference. The rates in this Rate Schedule are subject to adjustment pursuant to Section 21 of the General Terms and Conditions. Unless Pipeline and Customer agree upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Recourse Rate(s) as set forth on the currently effective Statement of Rates for Rate Schedule PAL. In the event that Pipeline and Customer agree to a rate pursuant to Section 22 or Section 23 of the General Terms and Conditions, such rate shall be applicable for the period agreed upon by Customer and Pipeline.
- 3.2 Pipeline shall submit and Customer shall pay a monthly invoice reflecting the sum of all Daily Charges for each Day during the applicable Month that PAL service is provided to Customer by Pipeline. The Daily Charges shall be the product of the Quantities of Gas in Customer's PAL account for each separate park and/or loan transaction and the Maximum Recourse Rate or mutually agreed upon rate, as applicable.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

- 4.1 If Customer desires parking and loaning service of Natural Gas on any Day under this Rate Schedule, Customer shall submit a nomination to Pipeline in accordance with Section 11 of the General Terms and Conditions. Customer shall nominate the agreed upon park or loan quantities and term at the PAL Point(s) of Transaction specified in Exhibit(s) A to Customer's PAL Service Agreement. Such nominated quantities and term shall be subject to confirmation by Pipeline. Pipeline shall schedule the quantities nominated hereunder in accordance with Section 12 of the General Terms and Conditions.
- 4.2 Customer's Park Balance or Loan Balance on any Day shall not exceed the MPQ or the MLQ, as applicable, set forth in Exhibit(s) A to Customer's PAL Service Agreement. Pipeline shall reject any nomination if Customer nominates Quantities of Gas when the balance(s) in Customer's account exceeds the specified MPQ and/or MLQ, as applicable, or when giving effect to the nomination would result in a balance(s) in Customer's account in excess of the specified MPQ and/or MLQ, as applicable.
- 4.3 PAL services shall be provided on an interruptible basis. Interruption of PAL services may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of Gas if Pipeline in its reasonable discretion determines that such decrease, suspension or discontinuation is necessary to prevent the

impairment of reliable service or when a higher priority service so requires. Nothing in this Rate Schedule shall limit Pipeline's right to take action pursuant to Sections 12 and 13 of the General Terms and Conditions of Pipeline's Tariff.

- 4.4 From the time the Gas is received by Pipeline at the PAL Point(s) of Transaction, Pipeline shall have the unqualified right to commingle such Gas with other Gas in Pipeline's system.

5. OTHER OPERATING CONDITIONS

- 5.1 Customer shall make all necessary arrangements with other parties at or upstream of the PAL Point(s) of Transaction where Customer delivers Gas to Pipeline for park service or where Customer delivers Gas to Pipeline to decrease Customer's Loan Balance, and at or downstream of the PAL Point(s) of Transaction where Pipeline delivers Gas to decrease Customer's Park Balance or where Pipeline delivers Gas to Customer for loan service, and such arrangements must be compatible with Pipeline's system operations.

- 5.2 To the extent that any upstream entity involved in handling Customer's Gas refuses or is unable to deliver Gas to Pipeline, Pipeline shall not be required to continue to receive Gas on behalf of Customer, as contemplated in Section 5.1 of this Rate Schedule. To the extent that any downstream entity involved in handling Customer's Gas refuses or is unable to receive Gas from Pipeline, Pipeline shall have the right to reduce an equal quantity of the deliveries of Gas on behalf of Customer, as contemplated in Section 5.1 of this Rate Schedule.

6. PARK AND LOAN (PAL) POINT(S) OF TRANSACTION

Pipeline shall permit Customer to park, or Pipeline shall loan to Customer, the quantity specified in the applicable Exhibit(s) A to Customer's PAL Service Agreement at any or all of the PAL Point(s) of Transaction identified on Pipeline's Internet Web Site as available for service under Rate Schedule PAL. Pipeline may, at its sole discretion, post from time to time additions to or deletions from the list of PAL Points of Transaction. If Pipeline terminates a PAL Point of Transaction at which parked quantities are to be returned to Customer or loaned quantities are to be returned to Pipeline, such PAL Point of Transaction shall remain available for the limited purpose of completing such outstanding transactions unless Customer and Pipeline mutually agree to utilize a different PAL Point of Transaction. If Customer and Pipeline mutually agree to utilize a different PAL Point of Transaction for the limited purpose of completing such outstanding transaction, Customer must contract separately for transportation service between the two PAL Points of Transaction.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

- 7.1 If Pipeline, on any Day is unable to receive and/or deliver the total requests of all Customers on Pipeline's system, Pipeline shall limit receipts and/or deliveries of Gas hereunder in accordance with Sections 12, 13 and 15 of the General Terms and Conditions, as applicable.
- 7.2 Customer may be required, upon notification from Pipeline, to suspend or reduce receipts or deliveries for the agreed upon park service and/or the agreed upon loan service. Further, Customer may be required, upon notification from Pipeline, to remove all or a portion of Customer's Park Balance, or return all or a portion of Customer's Loan Balance. Notwithstanding anything to the contrary in Section 2 of the General Terms and Conditions, such notification shall be provided to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s).
- 7.3 Should Pipeline notify Customer to remove or return Quantities of Gas pursuant to Section 7.2 above, Pipeline's notification shall specify a time frame of no less than three (3) Days within which all or a portion of Customer's Park Balance shall be removed, or all or a portion of Customer's Loan Balance, as applicable, shall be returned. Such notifications shall be consistent with Pipeline's operating conditions, unless Pipeline and Customer mutually agree to a different specific time frame. The obligation of Customer to comply with the issued notification shall continue until such time as Pipeline is able to recommence the PAL services. In the event that Customer does not comply with Pipeline's notice, any portion of the Park Balance or the Loan Balance that Customer failed to remove or return, as applicable, as required by Pipeline's notification will be resolved in accordance with Sections 7.5 and 7.6, as applicable, of this Rate Schedule PAL.

To the extent that Customer is unable to comply with Pipeline's notice either to remove all or a portion of Customer's Park Balance or to return all or a portion of Customer's Loan Balance, as applicable, because Pipeline is not able to schedule Customer's nomination for such transactions, the PAL penalties set forth in Sections 7.5 and 7.6 of this Rate Schedule, as applicable, shall not be assessed for those quantities that Pipeline is unable to schedule during such period in accordance with nominations submitted by Customer in an effort to comply with the requirements of this Section 7.3.

- 7.4 If Customer requests delivery of all or any portion of Customer's Park Balance and Pipeline is unable to return the Gas to Customer, then Customer has the option to: (i) suspend the Daily Charge and extend the term of the transaction until Pipeline is able to return the Gas to Customer; or (ii) trade the balance with another Customer that has an offsetting Loan Balance at the same PAL Point of Transaction. The Daily Charges will be reinstated when pipeline system conditions allow the receipt or delivery of these quantities.

If Customer requests to return all or any portion of Customer's Loan Balance to Pipeline and Pipeline is unable to accept such receipts, then Customer has the option to: (i) suspend the Daily Charge and extend the term of the transaction until Pipeline is able to accept such receipts from Customer; or (ii) trade the balance with another Customer that has an offsetting Park Balance at the same PAL Point of Transaction. The Daily Charges will be reinstated when pipeline system conditions allow the receipt or delivery of these quantities.

7.5 Parked quantities shall become the property of Pipeline at no cost to Pipeline, free and clear of any adverse claims, in the event that any of the following situations occur:

- (A) Pipeline's operating conditions require Pipeline to notify Customer that receipts of parked quantities must be suspended or reduced, and Customer fails to comply within the specified time frame with such notification; and/or
- (B) Pipeline's operating conditions require Pipeline to notify Customer that all or a portion of Customer's Park Balance must be removed, and Customer fails to comply within the specified time frame with such notification; and/or
- (C) The PAL account reflects a balance at the termination date of the associated Exhibit A to Customer's PAL Service Agreement or at the end of any mutually agreed upon extension of the termination date, and Pipeline's operating conditions require the removal of the Park Balance.

If Pipeline notifies Customer, pursuant to Sections 7.2 and/or 7.5(A) herein, that receipts of parked quantities must be suspended or reduced, only those quantities parked by Customer in violation of the notification shall become the property of Pipeline at no cost to Pipeline, free and clear of any adverse claims.

Pipeline shall credit the Applicable Shrinkage Deferred Account as provided in Section 21.2(E) of the General Terms and Conditions with the value of the Gas retained pursuant to this Section 7.5. The value of the Gas retained by Pipeline shall be determined based on the net proceeds from the sale of such Gas retained pursuant to Section 19.9 of the General Terms and Conditions and the proceeds shall be credited to the Applicable Shrinkage Deferred Account at the time of the sale.

7.6 Title to loaned quantities shall be transferred to Customer and Customer shall be obligated to pay for each Dekatherm of such Gas at a price equal to 150% of the average Gas Daily posting for the "Midpoint" price for the applicable geographical region, as defined in Section 19.7(B) of the General Terms and

Conditions, for the seven (7) Day period beginning three (3) Days before the Day on which the loan occurred, in the event that any of the following situations occur:

- (A) Pipeline's operating conditions require Pipeline to notify Customer that deliveries of Customer's loaned quantities must be suspended or reduced, and Customer fails to comply with such notification; and/or
- (B) Pipeline's operating conditions require Pipeline to notify Customer that all or a portion of Customer's Loan Balance must be returned to Pipeline, and Customer fails to comply within the specified time frame; and/or
- (C) The PAL account reflects a balance at the termination date of the associated Exhibit A to the Customer's PAL Service Agreement or at the end of any mutually agreed upon extension of the termination date.

If Pipeline notifies Customer, pursuant to Sections 7.2 and 7.6(A) of this Rate Schedule, that deliveries of Customer's loaned quantities must be suspended or reduced, only those Quantities of Gas taken by the Customer in violation of the notification shall be transferred to Customer and Customer shall be obligated to pay for each Dekatherm of such Gas at a price calculated as described above in this Section 7.6. Pipeline shall credit the Applicable Shrinkage Deferred Account as provided in Section 21.2(E) of the General Terms and Conditions, with the net proceeds from the operation of this Section 7.6.

8. PARK AND LOAN BALANCES

- 8.1 All Park Balances and Loan Balances reside at the PAL Point of Transaction at which the original park or loan quantity was nominated, and must be resolved at that PAL Point of Transaction by taking delivery of the Park Balance or returning the Loan Balance to Pipeline, as applicable. Park Balances and Loan Balances created under this Rate Schedule PAL shall be resolved via in-kind balancing during the remaining term of the transaction, which term is specified in Exhibit(s) A to Customer's PAL Service Agreement. Customer may resolve Park Balances and/or Loan Balances by transporting such balances between PAL Points of Transaction. The transportation shall be accomplished by Customer's submission of a nomination under Customer's transportation Service Agreement pursuant to Section 11 of the General Terms and Conditions and the subsequent scheduling and confirmation processes pursuant to Section 12 of the General Terms and Conditions.

Customer shall be required to reduce to zero each Park Balance and/or Loan Balance at each PAL Point of Transaction no later than the termination date of the Exhibit(s) A to Customer's PAL Service Agreement, or prior to any mutually agreed upon extension of that term, applicable to that balance. Any balances

remaining upon the termination date of the Exhibit(s) A to the Customer's PAL Service Agreement, or any mutually agreed upon extension of that term, shall be resolved in accordance with Sections 7.5 and 7.6, as applicable, of this Rate Schedule PAL.

Pipeline shall debit or credit, as appropriate, the Applicable Shrinkage Deferred Account as provided in Section 21.2(E) of the General Terms and Conditions, with the net proceeds, from the operation of this Section 8.

- 8.2 If Customer's PAL account reflects a Park Balance at the termination date of the associated Exhibit A to Customer's PAL Service Agreement or at the end of any mutually agreed upon extension of the termination date, and such Park Balance has not been resolved pursuant to Section 7.5(C) of this Rate Schedule PAL, the term of the transaction will be extended until the earlier of (i) such time as the Park Balance is reduced to zero or (ii) operating conditions require the removal of the Park Balance pursuant to Section 7.5(C) of this Rate Schedule PAL. For any Park Balance remaining beyond such agreed upon period set forth for a PAL transaction in Exhibit A to Customer's PAL Service Agreement, the applicable Maximum Recourse Rate(s) as set forth on the effective Statement of Rates for Rate Schedule PAL shall be applied on a daily basis until the Park Balance is reduced to zero.

9. GOVERNMENTAL AUTHORIZATIONS

Park and Loan Services under executed PAL Service Agreements shall be implemented pursuant to any applicable self-implementing authorization or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

10. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or the Service Agreement under this Rate Schedule shall control.

GENERAL TERMS AND CONDITIONS INDEX

Description/Title

1. Definitions
2. Electronic Communication
3. Contracting for Service
4. Credit Evaluation
5. Capacity Release
6. Points of Receipt and Points of Delivery
7. Segmentation of Capacity
8. Quality of Gas
9. Receipt and Delivery Pressures
10. Measurement and Measurement Equipment
11. Nominations
12. Scheduling of Nominations
13. Curtailment
14. Action Alerts and Operational Flow Orders
15. Force Majeure
16. Reservation Charge Credit
17. Determination of Receipts and Deliveries
18. Operational Balancing Agreements
19. Imbalance Resolution Procedures
20. Billing and Payment
21. Periodic Rate Adjustments
22. Negotiated Rates
23. Discount Terms
24. Standards of Conduct Compliance Procedures
25. Complaint Procedures
26. Permitted Sharing of Non-Public Information
27. North American Energy Standards Board ("NAESB")
28. Policy on Fees and Construction of New Facilities
29. Termination for Default
30. Possession of Gas
31. Warranty of Title to Gas
32. Non-discriminatory Waiver of Tariff Provisions
33. Descriptive Headings
34. Governmental Regulations
35. Assignments
36. Non-Recourse Obligation of LLC and Operator
37. Non-Conforming Service Agreements
38. Leased Capacity
39. Off-System Pipeline Capacity
40. Penalties and Penalty Revenue Crediting

1. **DEFINITIONS**

The term "Administrator" shall mean the party designated by the Principals to act on their behalf under a Multiple Shipper Option Agreement.

The term "Applicable Shrinkage" shall mean the Quantity of Gas payable by Customer and retained by Pipeline as compensation for Gas used by Pipeline in providing services for Customer. These Quantities of Gas shall include, fuel and Company Use Gas, Gas lost as a result of processing and plant thermal reduction and Force Majeure (as such term is defined in Section 15 of these General Terms and Conditions). Applicable Shrinkage for each service transaction shall be calculated as the product of the effective Applicable Shrinkage Percentage multiplied by the Quantity of Gas delivered after any forwardhaul transportation. The effective Applicable Shrinkage Percentages shall be set forth on the Statement of Rates for Percentages for Applicable Shrinkage, shall be subject to change from time to time as provided in Section 21 of these General Terms and Conditions, and shall be the Applicable Shrinkage Percentage as set forth on Pipeline's Statement of Rates for the Currently Effective Percentages for Applicable Shrinkage. Applicable Shrinkage for transportation transactions consisting of Backhaul transportation solely in Market Fuel Area 1 shall be zero.

The term "Backhaul" shall mean movement of Gas from a Point of Receipt to a Point of Delivery such that the contractual direction of movement on the mainline system is at all times and at all points along the path in a direction opposite to the actual flow of Gas in the pipeline.

The terms "British Thermal Unit" and "(Btu)" shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard conditions.

The term "Business Day" shall mean Monday through Friday excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico.

The term "Cash-out OBA Party" shall mean any OBA Party who has executed an Operational Balancing Agreement which provides for the resolution of imbalances on such agreement pursuant to the imbalance resolution procedures set forth in Sections 19.1 through 19.7 of these General Terms and Conditions.

The term "Cash-out Party" shall mean any Customer or other contractually liable entity that has an imbalance under any agreement with Pipeline, which imbalance will be resolved in accordance with Sections 19.1 through 19.7 of these General Terms and Conditions. For the purposes of Sections 19.1 through 19.7, the term "Cash-out Party" shall include the "Cash-out OBA Party."

The term "CCT" shall mean Central Clock Time, which includes the recognition of Daylight Savings Time, whereas "CST" shall mean Central Standard Time and "CDT" shall mean Central Daylight Time.

The terms "Commission" and "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction over Pipeline under the Natural Gas Act or successor or replacement legislation.

The term "Company Use Gas" shall mean the amount of Gas used for fuel, including compressor and heater fuel; Gas used for maintenance; Gas lost as a result of Force Majeure events (as such term is defined in Section 15 of these General Terms and Conditions), the ownership of which cannot be reasonably identified; and unaccounted for Gas.

The term "Cubic Foot" shall mean the volume of Gas which occupies one Cubic Foot of space, measured according to Boyle's and Charles' Law for the measurement of Gas under varying pressures with deviation therefrom as provided in Section 10 of these General Terms and Conditions and on the measurement basis likewise specified in Section 10.

The term "Customer" shall mean the entity that has executed a Service Agreement in the form contained in this Tariff.

The terms "Day" and "Gas Day" shall mean 9:00 a.m. to 9:00 a.m. (Central Clock Time).

The terms "Dekatherm" and "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "Dekatherm" of Gas shall mean the Quantity of Gas which contains one Dekatherm of heat energy.

The term "DTE Gas" shall mean DTE Gas Company, a Michigan corporation with which Pipeline has entered into the Capacity Lease Agreement dated November 19, 2015, as such agreement may be amended from time to time.

The term "Discount Confirmation" shall mean an electronic mail (e-mail) message sent by Pipeline to Customer to confirm the terms of the discount granted pursuant to Section 23 of these General Terms and Conditions.

The terms "EDI" and "Electronic Data Interchange" shall mean electronic data interchange as defined by the standards developed by the North American Energy Standards Board and approved by the Commission.

The terms "EDI/EDM" and "NAESB WGQ EDI/EDM" shall mean the term used to describe ANSI ASC X12 computer-to-computer electronic data interchange of information in files as mapped from the x.4.z NAESB WGQ standards in the NAESB

WGQ Implementation Guides and communicated between trading partners over the Internet using the NAESB Internet Electronic Transport.

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 upon a cumulative uniform hourly quantity for each Nomination Period affected.

The term "Electronic Notice Delivery" shall mean the description of the delivery of notices via Internet E-mail and/or EDI/EDM.

The term "Form of Service Agreement(s)" shall mean any or all of the *pro forma* service agreements contained in Pipeline's Tariff.

The term "Fuel Area(s)" shall mean the following geographical areas into which Pipeline's system is divided for Applicable Shrinkage purposes:

1. "Supply Fuel Area – TEAL" includes those facilities located south of the physical interconnection between Pipeline and Texas Eastern in Hanover Township, Columbiana County, Ohio;
2. "Market Fuel Area 1 – Greenfield" includes those facilities immediately north of and including the physical interconnection between Pipeline and Texas Eastern, and including the NEXUS/Kensington MR02 location, both of which are located in Hanover Township, Columbiana County, Ohio, to the facilities immediately south of and including Pipeline's facilities (but excluding the DTE Gas facilities) located at Ypsilanti Township, Washtenaw County, Michigan;
3. "Market Fuel Area 2 – DTE Gas Facilities" includes those DTE Gas facilities immediately north of and including the DTE Gas facilities located at Ypsilanti Township, Washtenaw County, Michigan, to and including (i) the DTE Gas facilities at Milford Junction located in Milford Township, Oakland County, Michigan, and (ii) the DTE Gas facilities located on the United States side of the international border between the United States and Canada at St. Clair, Michigan;
4. "Market Fuel Area 3 – Vector U.S. Facilities" includes those Vector U.S. facilities extending from and including the Vector U.S. Milford Junction Station located in Milford Township, Oakland County, Michigan, to and including (i) the Vector U.S. facilities located on the United States side of the international border between the United States and Canada at St. Clair, Michigan, and (ii) the Vector U.S. facilities within the West of Milford Path, as such term is defined in this Section 1.

The terms "Gas" and "Natural Gas" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.

The term "General Terms and Conditions" shall mean the General Terms and Conditions contained in Pipeline's Tariff.

The term "Imbalance Management Services" shall mean the options available to Customers for resolution of imbalances prior to the application of the cash-out mechanism set forth in Section 19 of these General Terms and Conditions. These options include: TABS, Park and Loan, OBA (where applicable) and Imbalance Netting and Trading and may include services offered by Pipeline's Customers or third parties.

The terms "Informational Postings Web Site", "Internet Web Site" and "Web Site" shall mean Pipeline's HTML site accessible via the Internet's World Wide Web located at <https://link.spectraenergy.com>.

The term "Internet Electronic Transport" shall mean the NAESB standards for the secure transport of electronic information between trading partners, building upon WGQ EDM Version 1.7.

The term "Intraday Nomination" shall mean a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.

The term "Kensington Receipt Point Area" shall mean the area encompassing those Points of Receipt located downstream of, and within one mile of, the Zone Boundary between the Supply Zone and Market Zone 1, and including the NEXUS/Kensington MR02 location.

The term "LINK® System" shall mean the LINK® Customer Interface System.

The term "Liquefiable Hydrocarbons" shall mean hexanes and heavier hydrocarbons (C6+), measured by the gallons of C6+ per thousand Cubic Feet ("GPM").

The term "Liquefiable Hydrocarbon Problem(s)" shall mean actual or anticipated hydrocarbon liquid fallout on Pipeline's system that Pipeline reasonably believes, based on available data, interferes with, or threatens to interfere with, the reliable operation of the system, in whole or in part, the operational integrity or safety of any part of the system, or the ability of Pipeline to meet its service obligations including obligations under Section 8 of these General Terms and Conditions.

The term "Long-Term Service Agreement" shall mean a Service Agreement under one of Pipeline's Rate Schedules that has a primary term of one year or more from the effective date of the Service Agreement.

The terms "Maximum Daily Delivery Obligation" and "MDDO" shall mean the maximum Quantity of Gas, expressed in Dth, which Pipeline is obligated to deliver on a

primary firm basis to or on behalf of Customer on any Gas Day at a Primary Point of Delivery, as specified in Exhibit B to Customer's firm Service Agreement.

The term "Maximum Daily PAL Injection Quantity" shall mean the maximum total Quantity of Gas, expressed in Dth, which Pipeline is obligated to receive from Customer on any Gas Day for both park service and returned loans under all nominations made pursuant to an applicable Exhibit A to Customer's Service Agreement under Rate Schedule PAL.

The term "Maximum Daily PAL Withdrawal Quantity" shall mean the maximum total Quantity of Gas, expressed in Dth, which Pipeline is obligated to deliver to Customer on any Gas Day for both loan service and returned parks under all nominations made pursuant to an applicable Exhibit A to Customer's Service Agreement under Rate Schedule PAL.

The terms "Maximum Daily Quantity" and "MDQ" shall mean the maximum Quantity of Gas, expressed in Dth, which Pipeline is obligated to deliver across a pipeline Segment for Customer on any Gas Day, as specified in Customer's Service Agreement.

The terms "Maximum Daily Receipt Obligation" and "MDRO" shall mean the maximum Quantity of Gas, expressed in Dth, exclusive of any Applicable Shrinkage, which Pipeline is obligated to receive on a primary firm basis for or on behalf of Customer on any Gas Day at a Primary Point of Receipt, as specified in Exhibit A to Customer's firm Service Agreement.

The term "Maximum Hourly Quantity" shall mean, where Pipeline and Customer have agreed to defined, firm hourly flow flexibility, the maximum Quantity of Gas, expressed in Dth, that Pipeline will deliver on a primary firm basis to Customer during any hour at the Primary Point(s) of Delivery as specified in the Exhibit(s) to Customer's Service Agreement.

The terms "Maximum Loan Quantity" and "MLQ" shall mean the maximum Quantity of Gas, expressed in Dth, that Pipeline is obligated to loan to Customer at any time at the PAL Point(s) of Transaction as specified in Exhibit(s) A to Customer's Service Agreement under Rate Schedule PAL.

The terms "Maximum Park Quantity" and "MPQ" shall mean the maximum Quantity of Gas, expressed in Dth, that Pipeline is obligated to park for Customer at any time at the PAL Point(s) of Transaction as specified in Exhibit(s) A to Customer's Service Agreement under Rate Schedule PAL.

The term "Maximum Recourse Rate" shall mean the highest cost based rate that Pipeline is allowed to charge a Customer who executes a Service Agreement under any of Pipeline's Rate Schedules, as reflected on the Statement of Rates for the applicable Rate Schedule.

The term "Minimum Recourse Rate" shall mean the lowest cost based rate that Pipeline is allowed to charge a Customer who executes a Service Agreement under any of Pipeline's Rate Schedules, as reflected on the Statement of Rates for the applicable Rate Schedule.

The term "Month" shall mean the period beginning at 9:00 a.m. CCT, 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 "Multiple Shipper Option Agreement" shall mean the Service Agreement, a form of which is set forth in the Form of Service Agreements portion of this Tariff, executed by multiple Principals as Customer with a designated Administrator.

The term "NAESB WGQ Standards" shall mean those business and Electronic Communication standards promulgated by the Wholesale Gas Quadrant ("WGQ") of the North American Energy Standards Board and adopted and codified by the Commission in Section 284.12 of its regulations.

The term "Negotiated Rate" shall mean a rate or rate formula mutually agreed upon by Pipeline and Customer pursuant to Section 22 of these General Terms and Conditions with respect to rates, rate components, charges, or credits differing from the otherwise applicable recourse rate.

The term "Netting" is the term used to describe the process of resolving imbalances for a Customer 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 Customer or agent.
- (b) Offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Customer or agent.

For Pipeline, the definition in (a) above is applicable to the Imbalance Netting provisions set forth in Section 19.6 of these General Terms and Conditions.

The term "Nomination Period" shall mean a period of time that Customer includes in a nomination for Gas service.

The terms "North American Energy Standards Board" and "NAESB" shall mean the accredited organization established to develop standards for certain energy industry business practices and procedures.

The term "OBA Party" shall mean the party that operates Natural Gas facilities which interconnect with Pipeline's facilities and who has executed an Operational Balancing Agreement with Pipeline.

The term "Operational Balancing Agreement" shall mean an agreement between Pipeline and an OBA Party that specifies the procedures to manage variances between scheduled quantities and actual quantities at an interconnection between the parties.

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 Pipeline's system or to maintain operations required to provide efficient and reliable firm service. Whenever Pipeline experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order.

The term "Operational Impact Area" shall describe Pipeline's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect. Pipeline's system is divided into Operational Impact Areas which correspond to the Zones into which Pipeline's system is divided.

The term "Operator" shall mean Spectra Energy NEXUS Management, LLC or such other entity as NEXUS Gas Transmission, LLC may designate to operate its pipeline system. Where appropriate, references to Pipeline in this FERC Gas Tariff may include Operator acting on behalf of Pipeline.

The term "Pipeline" shall mean NEXUS Gas Transmission, LLC. The term "Pipeline" expressly excludes any of the individual members of Pipeline, and any entity with which any member is affiliated except for NEXUS Gas Transmission, LLC.

The term "Point of Delivery" shall mean the point or points located on Pipeline's system at which Pipeline has the ability to tender Gas to Customer or for Customer's account.

The term "Point of Receipt" shall mean the point or points located on Pipeline's system at which Pipeline has the ability to receive Gas from Customer.

The term "Posted Point of Restriction" shall mean any point or Segment on Pipeline's system for which Pipeline has posted on its Internet Web Site a reduction of scheduled capacity notice, a notice that the point or Segment is scheduled at its capacity for the Day, or a notice of expected restrictions due to weather, operating conditions or maintenance.

The term "Prearranged Customer" shall mean the party identified by a Releasing Customer as the party who desires to acquire the firm capacity being released by the Releasing Customer pursuant to the provisions of Section 5 of these General Terms and Conditions.

The term "Primary Point of Delivery" shall mean a Point of Delivery specified in Exhibit B to Customer's Service Agreement under a firm Rate Schedule at which Pipeline has an MDDO that is greater than zero (0).

The term "Primary Point of Receipt" shall mean a Point of Receipt specified in Exhibit A to Customer's Service Agreement under a firm service Rate Schedule at which Pipeline has an MDRO that is greater than zero (0).

The term "Principals" shall mean a number of Customers that have designated a Principal or non-Principal to act as an Administrator on their behalf under a Multiple Shipper Option Agreement.

The term "Quantity of Gas" shall mean the number of units of Natural Gas expressed in Dekatherms unless otherwise specified.

The term "Quick Response" shall mean the NAESB WGQ EDI/EDM response used to communicate validation errors/warnings to a transaction submitted via the corresponding NAESB WGQ EDI/EDM transaction.

The term "Rate Default" shall describe, for index-based capacity release transactions, the non-biddable rate specified in Releasing Customer's Notice 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 describe, for index-based capacity release transactions, the lowest rate specified in Releasing Customer's Notice in dollars and cents that is acceptable to Releasing Customer. The Rate Floor may not be less than Pipeline's minimum reservation rate or zero cents where there is no stated minimum reservation rate.

The term "Rate Schedule(s)" shall mean any or all of the Rate Schedules contained in Pipeline's Tariff.

The term "Releasing Customer" shall mean a firm Customer or Replacement Customer that desires to release all or a portion of its capacity rights under a firm transportation Service Agreement pursuant to the provisions of Section 5 of these General Terms and Conditions.

The term "Replacement Customer" shall mean a Customer that has acquired capacity from a Releasing Customer pursuant to the provisions of Section 5 of these General Terms and Conditions.

The term "ROFR Agreement" shall mean one of the following:

- (1) a firm Service Agreement under one of Pipeline's Rate Schedules, provided that the capacity was not sold as Interim Capacity pursuant to Section 3.4(F) of these General Terms and Conditions, that is contracted at the applicable Maximum Recourse Rate for that service either (a) for service for twelve (12) consecutive

- months or more, or (b) for more than one (1) year for a service which is not available for twelve (12) consecutive months; or
- (2) a firm Service Agreement under one of Pipeline's Rate Schedules, provided that the capacity was not sold as Interim Capacity pursuant to Section 3.4(F) of these General Terms and Conditions, which firm Service Agreement is subject to a Negotiated Rate or a discounted rate that Pipeline agrees, on a not unduly discriminatory basis, shall qualify as a ROFR Agreement. In the event that Pipeline agrees that the firm Service Agreement subject to a Negotiated Rate or a discounted rate qualifies as a ROFR Agreement, such Negotiated Rate or discounted rate agreement shall expressly provide that the Service Agreement qualifies as a ROFR Agreement.

The term "Secondary Point(s) of Delivery" shall have the meaning set forth in Section 6.4 of these General Terms and Conditions.

The term "Secondary Point(s) of Receipt" shall have the meaning set forth in Section 6.4 of these General Terms and Conditions.

The term "Segment" shall mean a portion of the pipeline from a given point to an adjacent point.

The term "Service Agreement" shall mean the agreement executed by Customer and Pipeline for service under one of the Rate Schedules set forth in this Tariff and any exhibits, attachments and/or amendments thereto.

The term "Short-Term Service Agreement" shall mean a Service Agreement under one of Pipeline's Rate Schedules that has a primary term of less than one year from the effective date of the Service Agreement.

The term "Statement(s) of Rates" shall mean any or all of the Statements of Rates contained in Pipeline's Tariff.

The term "Systematic Rescheduling" shall mean the procedure by which the allocation of capacity between all Customers' Rate Schedules and Service Agreements is revised in accordance with service priority as a result of a change in nomination by one or more Customers. The procedure includes, but is not limited to, (1) identifying affected Customers and Service Agreements, (2) recalculating Customer service levels, (3) calculating individual Customer and aggregate Customer flows at each affected Point of Receipt and Point of Delivery, and (4) confirming revised volumes with each Customer and the operator of each affected Point of Receipt and Point of Delivery.

The terms "Tariff" and "FERC Gas Tariff" shall mean Pipeline's FERC NGA Gas Tariff, including but not limited to Statements of Rates, Rate Schedules, General Terms and Conditions and Forms of Service Agreements, as may be revised and effective from time to time.

The term "TEAL Facilities" shall mean the facilities leased by Pipeline from Texas Eastern.

The term "Texas Eastern" shall mean Texas Eastern Transmission, LP, a Delaware limited partnership with which Pipeline has entered into the Capacity Lease and Operating Agreement dated November 19, 2015, as such agreement may be amended from time to time.

The terms "Third Party Account Administrator" and "3PAD" shall mean a Title Transfer Tracking Service Provider other than Pipeline.

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

The terms "Title Transfer Tracking" and "TTT" shall mean the process of accounting for the progression of title changes from party to party that does not effect a physical transfer of the Gas.

The terms "Title Transfer Tracking Service Provider" and "TTTSP" shall mean a party conducting the Title Transfer Tracking activity.

The term "Total Heating Value" shall mean the number of British Thermal Units generated by the complete combustion with air, at constant pressure, of one anhydrous (dry) Cubic Foot of Gas under a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature of the Gas and air, and the water formed by combustion is condensed to the liquid state.

The term "Trading Partner Agreement" or "TPA" is a legally binding agreement between trading parties that defines each party's expectations and responsibilities. This agreement often dictates service level agreements and problem remediation processes.

The term "Transportation Path" shall mean, with respect to a firm Service Agreement, the Segments along Pipeline's system, which includes facilities available under contract to Pipeline pursuant to Sections 38 and 39 of these General Terms and Conditions, from a Customer's Primary Point(s) of Receipt to such Customer's Primary Point(s) of Delivery where Customer has the primary firm right to transport Gas.

The term "Transportation Path Quantity" shall mean the quantity associated with a particular Transportation Path as set forth on Exhibit A of Customer's Service Agreement.

The term "Trespass Gas" shall mean any Quantity of Gas received on any Day by Pipeline at a Point of Receipt at which there is no valid nomination for that Day.

The term "Vector U.S." shall mean Vector Pipeline, L.P., a Delaware limited partnership with which Pipeline has entered into the Capacity Lease and Operating Agreement dated March 8, 2016, as such agreement may be amended from time to time.

The term "West of Milford Path" shall mean the Vector U.S. facilities extending from and including the Vector U.S. Milford Junction Station located in Milford Township, Oakland County, Michigan, (Milepost 270.5 on the Vector U.S. facilities) to and including the beginning of the Vector U.S. facilities located near Joliet, Illinois (Milepost 0.0 on the Vector U.S. facilities).

The term "Zone(s)" shall mean the following geographical areas into which Pipeline's system is divided for contractual entitlements and rate purposes:

1. "Supply Zone" includes those TEAL Facilities located south of the physical interconnection between Pipeline and Texas Eastern in Hanover Township, Columbiana County, Ohio;
2. "Market Zone 1" includes those facilities immediately north of and including the physical interconnection between Pipeline and Texas Eastern, and including the NEXUS/Kensington MR02 location, both of which are located in Hanover Township, Columbiana County, Ohio, to and including the DTE Gas facilities at Milford Junction located in Milford Township, Oakland County, Michigan;
3. "Market Zone 2" includes the DTE Gas facilities and the Vector U.S. facilities extending from and including the Vector U.S. Milford Junction Station located in Milford Township, Oakland County, Michigan, to and including (i) the DTE Gas facilities and the Vector U.S. facilities located on the United States side of the international border between the United States and Canada at St. Clair, Michigan, and (ii) the Vector U.S. facilities within the West of Milford Path, as such term is defined in this Section 1.

The term "Zone Boundary" shall mean the physical location at which one Zone ends and the next consecutive Zone begins.

The term "Zone Boundary Entry Quantity" for purposes of Rate Schedules FT-1 and LFT-1 shall be the Quantity of Gas which Customer may cause Pipeline to receive on a primary firm basis from another Zone, as specified in Exhibit C to Customer's Service Agreement.

The term "Zone Boundary Exit Quantity" for purposes of Rate Schedules FT-1 and LFT-1 shall be the Quantity of Gas which Customer may cause Pipeline to deliver on a primary firm basis into another Zone, as specified in Exhibit C to Customer's Service Agreement.

2. ELECTRONIC COMMUNICATION

2.1. System Description.

- (A) Pipeline provides for interactive electronic communications with its Customers and other parties through the LINK® Customer Interface System (hereinafter called the "LINK® System"). The LINK® System shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the "LINK® System Subscriber"), provided that such party (i) has executed a LINK® System Agreement electronically via the LINK® System, (ii) has established its business entity in the LINK® System by submitting Contact Information pursuant to Section 2.5(A) below, (iii) has designated a Local Security Administrator pursuant to Section 2.4 below, and (iv) if such party desires to transmit information to or receive information from Pipeline via Electronic Data Interchange, has requested and executed a Trading Partner Agreement electronically via the LINK® System. A party to a LINK® System Agreement or a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the LINK® System by such individual is acknowledgement of that authority. Pipeline shall not be responsible for verifying the authority of an individual to execute a LINK® System Agreement or a Trading Partner Agreement on behalf of a party.

By accessing the LINK® System, LINK® System Subscriber agrees to comply with the procedures for access to and use of the LINK® System as set forth in this Section 2.

Pipeline reserves the right to implement enhancements to the LINK® System at its sole discretion; provided however, all such enhancements when fully operational shall be available to all LINK® System Subscribers. Pipeline will exercise due diligence to ensure the LINK® System operates correctly and will provide timely and non-discriminatory access to on-line LINK® System help features and to any information available on the LINK® System that LINK® System Subscriber is entitled to access.

- (B) The LINK® System provides on-line help, a search function that permits a LINK® System Subscriber to locate information concerning a specific transaction, and menus that permit LINK® System Subscribers to separately access notices of available capacity and standards of conduct information. The LINK® System will permit a LINK® System Subscriber to electronically download information on transactions from the LINK® System and to separate extremely large documents into smaller files prior to such download. Pipeline shall maintain and retain

daily back-up records of the information displayed on the LINK® System and the Internet Web Site and through Electronic Data Interchange for three (3) years and shall permit LINK® System Subscriber to review those records upon request. Completed transactions will remain on the LINK® System for at least ninety (90) Days after completion and will then be archived. Archived information will be made available by Pipeline if possible within two (2) weeks after receipt of a Customer's request for such information. Information on the most recent entries will appear ahead of older information.

- (C) Customers' notices to release capacity pursuant to Section 5 of these General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Customer via the LINK® System. Electronic communications may also be transmitted, where applicable, via Electronic Data Interchange, which will be available on a nondiscriminatory basis to any LINK® System Subscriber, provided such LINK® System Subscriber has entered into a Trading Partner Agreement with Pipeline pursuant to Section 2.1(A) above. Specifically, a LINK® System Subscriber has the option of utilizing the LINK® System for purposes of:
- (1) requesting service under Pipeline's Rate Schedules set forth in this Tariff;
 - (2) executing, tracking and amending certain Service Agreements under Pipeline's Rate Schedules set forth in this Tariff;
 - (3) providing nominations and viewing allocations and operational imbalances under all Rate Schedules as a Customer of Pipeline pursuant to the applicable Rate Schedule and these General Terms and Conditions;
 - (4) exercising its rights as a Customer of Pipeline pursuant to Section 3.6 of these General Terms and Conditions or submitting a bid pursuant to such section;
 - (5) exercising its rights as a Customer of Pipeline pursuant to Section 5 of these General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time), submitting a bid as a Replacement or Prearranged Customer of Pipeline pursuant to Section 5.9 of these General Terms and Conditions, or posting a request for capacity pursuant to Section 5.18 of these General Terms and Conditions;
 - (6) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
 - (7) viewing Pipeline's notice of an Operational Flow Order as contemplated by Section 14 of these General Terms and Conditions;
 - (8) effectuating Imbalance Netting and Trading pursuant to Sections 19.5 and 19.6 of these General Terms and Conditions;

- (9) requesting a discount of the Maximum Recourse Rate(s) for service or viewing discounts previously granted;
- (10) viewing those Point(s) of Receipt and Point(s) of Delivery that are subject to an Operational Balancing Agreement pursuant to Section 18 of these General Terms and Conditions;
- (11) viewing a list of the holders of TABS Service Agreements;
- (12) submitting a claim as a claimant of Trespass Gas pursuant to Section 19.8 of these General Terms and Conditions;
- (13) submitting a bid as a Customer of Pipeline pursuant to Section 19.8 of these General Terms and Conditions; and
- (14) such other functions as may be available on the LINK® System from time to time.

2.2 Information. Pipeline shall post at least four times a day on the LINK® System and the Internet Web Site information relevant to the availability of firm and interruptible capacity at Points of Receipt, on the mainline, and at Points of Delivery. The LINK® System and the Internet Web Site will indicate whether the capacity is available from Pipeline directly or through Pipeline's capacity release mechanism as set forth in Section 5 of these General Terms and Conditions. The LINK® System and the Internet Web Site shall provide the best available information about imbalances on an hourly and a daily basis. The LINK® System and the Internet Web Site also include information allowed or required to be posted thereon by other provisions of the Tariff, information that Pipeline is required to post pursuant to the Commission's regulations, or other information Pipeline chooses to post in furtherance of the operation of its system.

2.3 Pipeline shall maintain on the LINK® System a Master Location List(s) containing the following information for each Point of Receipt and Point of Delivery on Pipeline's system. Such information shall be updated promptly whenever Point(s) of Receipt and/or Point(s) of Delivery are added to Pipeline's system.

- (A) Name of the point;
- (B) Meter number of the point;
- (C) Location (legal description) of the point;
- (D) Operator name and phone number to the extent available; and
- (E) Whether an Operational Balancing Agreement is in effect at the point.

2.4 Local Security Administrators.

- (A) LINK® System Subscriber shall designate one or more persons to perform certain security functions on the LINK® System ("Local Security Administrator") by submitting for each such person the Local Security Administrator Designation information via the LINK® System using the applicable on-line form, as such form is amended from time to time in the

LINK® System. LINK® System Subscriber shall update Local Security Administrator Designation information via the LINK® System as such information changes.

- (B) The Local Security Administrator shall, via the LINK® System, be responsible for (1) identifying those persons who are duly authorized by LINK® System Subscriber to use the LINK® System to perform one or more of the functions available on the LINK® System ("LINK® System User"); (2) providing LINK® System Users with individualized USERIDs and passwords; (3) maintaining LINK® System Users' account information; (4) adding and terminating LINK® System Users immediately upon a change in status requiring such addition or termination; (5) creating and modifying security rights for LINK® System Users; (6) approving or terminating Designation of Affiliated Companies information and Designation of Agency information pursuant to Sections 2.6 and 2.7, respectively, below; and (7) ensuring that USERIDs are used only as appropriate and as contemplated by these General Terms and Conditions and the LINK® System Agreement.
- (C) Pipeline shall be entitled to rely upon the representation of LINK® System Subscriber's Local Security Administrator that the LINK® System User(s) identified by the Local Security Administrator may (i) transmit information to Pipeline; (ii) view information posted on the LINK® System; and/or (iii) perform the LINK® System contracting function in accordance with the security rights granted by Local Security Administrator.

2.5 Authorized Use of LINK® System; Confidentiality.

- (A) LINK® System Subscriber shall submit Contact Information to Pipeline via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System. In addition, LINK® System Subscriber shall be required to submit updated Contact Information to Pipeline via the LINK® System as such information changes. Such revised information shall supersede in its entirety any Contact Information previously submitted to Pipeline.
- (B) LINK® System Subscriber shall not disclose to persons other than Local Security Administrator and LINK® System Users that are employed by LINK® System Subscriber, or properly designated affiliates or agents of LINK® System Subscriber, and shall otherwise keep confidential, all USERIDs and passwords issued by Local Security Administrator. In addition, LINK® System Subscriber shall cause Local Security Administrator and LINK® System User(s) to refrain from disclosing to any other person, whether or not employed by LINK® System Subscriber,

and shall otherwise keep confidential, the individualized USERID and password issued to each such LINK® System User.

- (C) LINK® System Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords issued by or for its Local Security Administrator, including, but not limited to, the use of such USERIDs and passwords by LINK® System Users who are not within LINK® System Subscriber's employment or control.
- (D) Pipeline reserves the right to disable for due cause any USERID issued to any LINK® System User. Pipeline shall provide notice to LINK® System Subscriber, LINK® System User and/or Local Security Administrator, as applicable, at the time that the USERID is disabled by Pipeline. In addition, upon thirty (30) days prior notice to the LINK® System User and the Local Security Administrator, Pipeline will disable any USERID that has not been used to access the LINK® System for fifteen (15) consecutive months.
- (E) LINK® System Subscriber shall immediately notify Pipeline of the desire to delete a Local Security Administrator of LINK® System Subscriber by (i) e-mail to link-help@spectraenergy.com, or (ii) submission via the LINK® System using the applicable on-line form of revised Local Security Administrator Designation information for such Local Security Administrator indicating the desire for termination. Such revised information shall supersede in its entirety any Local Security Administrator Designation information previously submitted to Pipeline for such Local Security Administrator. LINK® System Subscriber shall be solely responsible for any unauthorized actions of Local Security Administrator due to LINK® System Subscriber's failure to so notify Pipeline of the need to delete such Local Security Administrator.
- (F) Pipeline warrants that, without the express consent of LINK® System Subscriber or as otherwise provided in this Tariff, no Pipeline employee or agent will disclose to any third party any non-public information regarding research performed through the use of the LINK® System by LINK® System Subscriber.

2.6 LINK® System Subscriber; Affiliated Companies.

- (A) If LINK® System Subscriber belongs to a group of affiliated companies and requires LINK® System access on behalf of one or more of said affiliates, LINK® System Subscriber (i) shall, or shall cause one of the affiliates of LINK® System Subscriber to submit to Pipeline via the LINK® System the Designation of Affiliated Companies information, and

(ii) shall cause all other parties included in the affiliation to approve the Designation of Affiliated Companies information via the LINK® System. The Designation of Affiliated Companies information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the Designation of Affiliated Companies information.

- (B) When Designation of Affiliated Companies information changes, the LINK® System Subscriber shall cause revised Designation of Affiliated Companies information to be submitted and approved pursuant to Section 2.6(A) above. Such revised information shall supersede in its entirety any Designation of Affiliated Companies information previously submitted to Pipeline. LINK® System Subscriber warrants that access consistent with any Designation of Affiliated Companies information submitted and approved by LINK® System Subscriber and its affiliates in accordance with Section 2.6(A) above is appropriate and authorized. Determining the propriety of such access is the responsibility of LINK® System Subscriber and/or its affiliates, but Pipeline reserves the right to reject such Designation of Affiliated Companies information if it determines that granting such designation would violate any contractual, legal, or regulatory responsibility of Pipeline.
- (C) In order for LINK® System Users of LINK® System Subscriber to access the LINK® System on behalf of LINK® System Subscriber's affiliates designated pursuant Section 2.6(A) above, LINK® System Subscriber and each designated affiliate of LINK® System Subscriber must meet the requirements of a LINK® System Subscriber set forth in Section 2.1(A) of these General Terms and Conditions.
- (D) It is the obligation of the LINK® System Subscriber to notify Pipeline via the LINK® System when a company affiliation terminates, either by (i) submitting a request to terminate a company affiliation via the applicable on-line form, as such form is updated from time to time in the LINK® System, or (ii) submitting and approving superseding Designation of Affiliated Companies information in accordance with Section 2.6(A). An affiliate may request a termination of the company affiliation by submitting such request via the LINK® System. A request to terminate a company affiliation will be processed by Pipeline without consent from the non-requesting party.

2.7 LINK® System Subscriber; Agency.

- (A) If LINK® System Subscriber desires to designate one or more persons or entities to act as an agent on behalf of LINK® System Subscriber

("Agent"), then, for each such Agent, the LINK® System Subscriber (i) shall, or shall cause the Agent to, submit to Pipeline via the LINK® System the Designation of Agency information specifying the rights granted to the Agent and (ii) shall cause the other party to the agency relationship to approve the Designation of Agency information. The Designation of Agency information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the information. Pipeline may require that LINK® System Subscriber provide additional documentation to confirm that LINK® System Subscriber desires Agent to act on its behalf.

- (B) In order for LINK® System Users of an Agent designated pursuant to Section 2.7(A) above to access the LINK® System on behalf of LINK® System Subscriber, such Agent must meet the requirements of a LINK® System Subscriber set forth in Section 2.1(A) of these General Terms and Conditions.
- (C) Pipeline may accept and fully rely upon Designation of Agency information submitted and approved in accordance with Section 2.7(A) above. Pipeline may fully rely upon all communications received from and direction given by Agent with respect to all actions indicated in the approved Designation of Agency information for which Agent is authorized to act on behalf of LINK® System Subscriber. Pipeline may grant Agent access to LINK® System Subscriber's data contained in the LINK® System as necessary to perform the functions identified in the approved Designation of Agency information. LINK® System Subscriber will defend, indemnify and hold harmless Pipeline from and against any and all claims, demands, liabilities and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Pipeline by any party associated with Pipeline's reliance on Designation of Agency information provided pursuant to this Section 2.7.
- (D) The rights specified in the approved Designation of Agency information having the latest commencement date shall supersede all prior rights granted by LINK® System Subscriber to Agent. In no event can an agency right granted to one Agent be simultaneously granted to another Agent.

It is the obligation of the LINK® System Subscriber to notify Pipeline when an agency relationship changes or terminates, either by (i) specifying a termination date in the approved Designation of Agency

information, (ii) submitting a request to terminate an agency relationship via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, or (iii) submitting and approving superseding Designation of Agency information in accordance with Section 2.7(A) above. The Agent may request a termination of the agency relationship by submitting such request via the LINK® System. A request to terminate an agency relationship will be processed by Pipeline without consent from the non-requesting party.

LINK® System Subscriber and Agent must re-approve existing Designation of Agency information via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, on an annual basis. If, during this annual re-approval process, either the LINK® System Subscriber or the Agent desires a change to the Designation of Agency information, new Designation of Agency information must be submitted and approved in accordance with Section 2.7(A) above. Pipeline shall remove the security rights granted to all LINK® System Users of Agent pertaining to access granted by LINK® System Subscriber pursuant to the Designation of Agency information if LINK® System Subscriber and Agent do not re-approve the existing Designation of Agency information or submit and approve updated Designation of Agency information on an annual basis.

- (E) Agent is authorized to act on behalf of LINK® System Subscriber under any or all of LINK® System Subscriber's Service Agreements with Pipeline as such Service Agreements are effective from time to time, or with respect to any or all meter locations as available from time to time, respectively, as specified in the Designation of Agency information, until LINK® System Subscriber properly notifies Pipeline that the agency relationship is terminated or superseded in accordance with Section 2.7(D) above. The designation of an Agent by a LINK® System Subscriber does not provide for an assignment of the rights and obligations of any Service Agreement between Pipeline and LINK® System Subscriber.

2.8. Liability.

- (A) Pipeline shall not be liable to LINK® System Subscriber nor any other party in damages for any act, omission or circumstance related to the LINK® System occasioned by or in consequence of an event of Force Majeure (as defined in Section 15 of these General Terms and Conditions), that is not within the control of Pipeline and which by the exercise of due diligence Pipeline is unable to prevent or overcome. To the extent the information displayed on the LINK® System is originated solely by Pipeline and such information is subsequently determined to be inaccurate, LINK® System Subscriber shall not be subject to any penalties

otherwise collectable by Pipeline based on Customer conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LINK® System.

- (B) LINK® System Subscriber shall defend, indemnify and hold harmless Pipeline from and against any and all claims, demands and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Pipeline by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by LINK® System Subscriber and/or Local Security Administrator or any other unauthorized or improper use of the LINK® System by any LINK® System User or LINK® System Subscriber unless such improper use is the result of Pipeline's negligence or willful misconduct, including, but not limited to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, LINK® System Subscriber.

2.9 Electronic Mail (E-mail) Notification. For system-wide notices of general applicability, any provisions of this Tariff requiring that these matters be written or in writing are satisfied by Pipeline utilizing electronic transmission through the LINK® System in accordance with the procedures for utilization of the LINK® System or through Electronic Data Interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. Pipeline will use electronic mail (e-mail) in order to facilitate certain notifications to Customers as required by this Tariff. Customer shall provide Pipeline with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Sections 13 and 14 of these General Terms and Conditions to post notices on the LINK® System, Pipeline shall provide such notifications via e-mail communication to those Customers that have provided such e-mail address information and have requested, via the LINK® System, e-mail notification of critical notices issued by Pipeline. Customer shall be responsible for providing accurate e-mail notification information to Pipeline, including timely updates to such information as necessary. All other provisions, including Service Agreement-specific notices, requiring items or information to be written or in writing remain unchanged unless otherwise agreed by Pipeline and Customer.

2.10 Rights to LINK® System. Pipeline or an affiliate of Pipeline is the exclusive proprietor of the programming that generates the LINK® System and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LINK® System under license to Pipeline or an affiliate of Pipeline) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on

the LINK® System. A LINK® System Subscriber will not by virtue of this Section 2 or the executed LINK® System Agreement acquire any proprietary interests in the programming that generates the LINK® System.

3. CONTRACTING FOR SERVICE

3.1 Information.

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

NEXUS Gas Transmission, LLC
Attention: Marketing Department
P.O. Box 1642
Houston, Texas 77251-1642
Telephone: 1-800-827-LINK, or in Houston (713) 989-LINK

- (B) Pipeline shall provide the requested information orally, or in writing, as appropriate.

3.2 Requests for Service.

- (A) Persons desiring a new service or an amendment to existing service under one of Pipeline's Rate Schedules set forth in this Tariff or desiring to execute a Multiple Shipper Option Agreement must be a LINK® System User pursuant to Section 2.1(A) of these General Terms and Conditions and must submit a request for service electronically via the LINK® System.

- (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 Pipeline's public Internet Web Site, as such list may be amended from time to time. Requests to amend existing service that will affect a Customer's financial obligations to Pipeline, 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 Customer's financial obligations to Pipeline, without regard to the impact of any applicable discount or Negotiated Rates, are referred to as Non-Billing Amendments. A Customer requesting a new service or an amendment to existing service shall also provide the following to Pipeline:

- (1) Either at the time the request for new service or an amendment to existing service is submitted to Pipeline or at the time of execution of the Service 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 4 of these General Terms and Conditions.

- (C) Persons desiring service under Pipeline's Rate Schedule TABS are required to submit the information specified in Section 3.2(B) above to the extent applicable and necessary to effectuate such request for service.
- (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 Pipeline until Customer has submitted such request online via the LINK® System and Pipeline has received all of the information required or requested pursuant to this Section 3.2 and Section 4 of these 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 LINK® System. If Pipeline requests additional information or assurance in accordance with this Section 3.2, and such additional information or assurance is received within ten (10) Business Days of Pipeline's request, Customer's request for service shall be deemed to have been received on the date on which Customer's additional financial information is received by Pipeline; otherwise, Customer's request for service shall be rejected by Pipeline.
- (E) If Customer does not submit the information required in Section 3.2(B) or Section 3.2(C) above within the required timeframes, the request for service shall be rejected by Pipeline. In addition, Pipeline shall reject any request for service created in the LINK® System by Customer, but not submitted to Pipeline within ninety (90) days of Customer's creation of such request.

3.3 Conditions of Firm Transportation. All requests for firm transportation service shall be subject to the following conditions:

- (A) No request for transportation from a Primary Point of Receipt or to a Primary Point of Delivery shall be considered valid or be granted if to do so would impair Pipeline's ability to render existing services pursuant to Pipeline's firm Rate Schedules.
- (B) Subject to the provisions of (A) above, any amendment to any firm Service Agreement or exhibit to add or change Primary Point(s) of Receipt or Primary Point(s) of Delivery that requires additional capacity pursuant to an applicable firm Rate Schedule will be addressed in accordance with Section 3.4 of these General Terms and Conditions.

- (C) Pipeline shall not be required to perform the requested service in the event all facilities (except, and limited to, minor taps) necessary to render the requested service do not exist at the time the request is made.
- (D) Accounting Meter Numbers. In certain situations, Pipeline may use an accounting meter number to represent a physical location on its pipeline system. Any Point of Receipt or Point of Delivery on Pipeline's system may be designated by means of an accounting meter number and description that differs from the physical meter number and description. The physical meter number and description and one or more accounting meter numbers and descriptions may be used to describe Customer's entitlements at a specific location, but will not create duplicate entitlements. The same rights and obligations exist for both Pipeline and Customer regardless of whether a location is identified by means of a physical meter number and description or an accounting meter number and description.

3.4 Allocation of Available Firm Capacity.

- (A) Firm capacity that is or becomes available on Pipeline's system from time to time shall be allocated pursuant to the procedures set forth in this Section 3.4.
 - (1) For requests for firm service with a term of less than ninety (90) Days for which Pipeline determines capacity is available to satisfy any such request, Pipeline shall have the right, but shall not be obligated, to post on its LINK® System a notice of request(s) for service received and prescribe a period of time ("open season") for receiving additional requests to be evaluated contemporaneously.
 - (2) For requests for firm service with a term equal to or greater than ninety (90) Days for which capacity is available to satisfy any such request, Pipeline shall either
 - (i) award the requested capacity on a first-come, first-served basis, provided that the capacity has been posted on Pipeline's LINK® System as being available for contracting for a minimum of five (5) Business Days; or
 - (ii) conduct an open season for the purpose of receiving additional requests to be evaluated contemporaneously, unless such original request for firm service otherwise complies with the requirements of this Section 3 and is at the

Maximum Recourse Rate, in which case Pipeline will award the requested capacity under the first-come, first-served basis set forth in (i) herein.

- (3) To the maximum extent possible, Pipeline will attempt to structure any such open season posting pursuant to this Section 3.4(A) so as not to identify specifically the Customer or potential Customer submitting the request and/or the specific location of the market(s) to be served. Any such posting shall, at a minimum, describe the service available, the date(s) that the service will be available, the capacity path, any minimum terms and conditions, any other factors Pipeline shall consider in evaluating requests received during the open season, and any other rules applicable to the open season procedure.
- (4) Any open season pursuant to this Section 3.4(A) will be conducted to determine which Customer or potential Customer bid produces the highest net present value for the posted capacity. In the event Pipeline receives a request for firm service for a term of less than ninety (90) Days and elects to award available capacity without conducting an open season, such request shall be deemed to have the highest net present value for purposes of this Section 3.4(A).
- (5) For any open season conducted pursuant to this Section 3.4(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;
 - (ii) two (2) Business Days from the posting of the notice of request for service for the capacity or five (5) 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 more and up to one (1) year; or
 - (iii) three (3) Business Days from the posting of the notice of request for service for the capacity or five (5) 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 longer than one (1) year.
 - (iv) 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. CCT not less than one (1) Business Day prior to the date service would be available.

- (6) Any Customer desiring to place a bid for available capacity posted pursuant to Section 3.4(A)(1) or Section 3.4(A)(2) must submit its bid online via the LINK® System.
- (7) Subject to all requirements in this Section 3 for requests for firm service, firm capacity will be allocated to that request(s) generating the highest net present value to Pipeline. Net present value will be determined based on the discounted cash flow of revenues to Pipeline produced, lost, or affected by the request(s) for service. In determining the highest net present value, Pipeline will consider objective criteria only. Such criteria may include, without limitation, the maximum contractual 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 Pipeline. 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, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In determining the highest net present value in connection with a Customer paying a Negotiated Rate higher than the Maximum Recourse Rate, such Negotiated Rate Customer paying a rate higher than the Maximum Recourse Rate will be deemed to be paying a rate equal to the Maximum Recourse Rate. In making the determination of net present value, Pipeline 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.
- (8) In the event that Pipeline 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 3.4(A) and any party declines, by notifying Pipeline via the LINK® System within one (1) Business Day, to contract for such capacity, such party's request shall be rejected by Pipeline and the available capacity will be reallocated among such requests which produce an equivalent net present value.

- (9) Pipeline shall post the winning request(s) ("best bid(s)") and the method of evaluating such request(s) on the LINK® System within twenty-four (24) hours after the award of capacity.
- (10) In the event that the best bid(s) is based upon a bid rate that is less than the applicable Maximum Recourse Rate, Pipeline and Customer must agree upon a Negotiated Rate pursuant to the provisions of Section 22 of these General Terms and Conditions or Customer must submit a discount request online via the LINK® System and receive approval from Pipeline pursuant to the provisions of Section 23 of these General Terms and Conditions, as applicable, in order for the bid rate to become effective.
- (11) In addition to the procedures set forth in this Section 3.4(A), Pipeline 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, Pipeline shall allocate the capacity subject to such open season on the basis of the highest net present value to Pipeline, as determined pursuant to the method described in Section 3.4(A)(7). In this connection, to the extent Pipeline has (i) available unsubscribed capacity or (ii) capacity under expiring or terminating Service Agreements where such capacity is not subject to a right of first refusal or Customer does not exercise its right of first refusal, Pipeline reserves the right, but shall not be obligated, to reserve such capacity for a future expansion project pursuant to Section 3.4(A)(12) below.
- (12) Pipeline 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 Pipeline posts such capacity as being reserved. Any capacity reserved pursuant to this Section 3.4(A)(12) must first be posted as available capacity on Pipeline's Internet Web Site for at least five (5) Business Days. 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, Pipeline 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 3.4(A)(12) may be reserved for up to twelve (12) months prior to

the time Pipeline files for either certificate approval or prior notice authorization pursuant to Pipeline's blanket construction certificate for proposed construction of a related project and thereafter until all expansion facilities are placed into service. Any capacity reserved under this Section 3.4(A)(12) shall be made available, pursuant to the provisions of Section 3.4(F) 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, Pipeline 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.

- (B) Pipeline will post available capacity on the LINK® System before it provides such information to any potential Customer.
- (C) Pipeline reserves the right to reject any request for service (i) at less than the Maximum Recourse Rate, (ii) which may detrimentally impact the operational integrity of Pipeline'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 this Tariff. If Pipeline rejects any request for available capacity posted pursuant to Section 3.4(B) above, Pipeline will notify Customer via e-mail of its reason(s) for such rejection.
- (D) Bidding and Determination of Best Bid(s).
 - (1) 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.
 - (2) At the close of the bidding period for any open season held pursuant to this Section 3.4, Pipeline shall select from among all valid bids the best bid(s), as determined pursuant to this Section 3.4(D). Pipeline shall review all bids received from bidders that have not been rejected by Pipeline pursuant to Section 3.4(C) above, to determine which bid is the best bid, as defined in Section 3.4(A)(7) above.

- (3) In determining the best bid, any request to add or change a Primary Point of Receipt and/or Primary Point of Delivery will be considered to have a net present value of zero (0) when comparing such requests to other requests for service and awarding capacity unless the Customer has agreed in conjunction with its request to (i) increase its MDQ, (ii) increase the rate Customer is currently paying to Pipeline, if such rate is less than the applicable Maximum Recourse Rate, and/or (iii) extend the term of its firm Service Agreement in which case Pipeline shall consider the terms of such MDQ increase, rate increase and/or extension of the term of the Service Agreement when calculating the net present value. In the event that a request to add or change a Primary Point of Receipt and/or a Primary Point of Delivery results in a bid(s) that yields a net present value that is greater than zero ("Positive NPV Bid"), Pipeline shall award the capacity to the bid which yields to Pipeline the highest net present value. In the event that no Positive NPV Bid(s) is received by Pipeline or point capacity remains after Pipeline has awarded capacity to or among the Positive NPV Bid(s), Pipeline shall award the remaining point capacity to the firm Customer whose request to change its Primary Point(s) of Receipt and/or Primary Point(s) of Delivery was received first-in-time by Pipeline.
- (4) If the winning bid is submitted by the requesting party and the requesting party has complied with the requirements of Sections 3.2 and 4 of these General Terms and Conditions, such winning bid shall be binding on the requesting party and a Service Agreement shall be executed pursuant to the requirements of Section 3.5 of these General Terms and Conditions; in the event Customer does not execute the Service Agreement as required by Section 3.5, Customer shall nonetheless be bound by the terms of its winning bid and the provisions of such Service Agreement as though it had been fully executed.
- (5) In the event the winning bidder is not the requesting party, the winning bidder must submit a request for service pursuant to Section 3.2 above, and the winning bidder shall be required to comply with the provisions of this Section 3; if the winning bidder does not execute the Service Agreement as required by Section 3.5, such winning bidder shall nonetheless be bound by the terms of its winning bid and the provisions of such Service Agreement as though it had been fully executed. If Pipeline 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 3.2 and 4 of these General Terms and Conditions, unless, within one (1) Business Day of notification of the award of capacity, such party provides Pipeline with written notification that it rejects such award.

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

- (1) Unless otherwise agreed by Pipeline, Customer may request available capacity for service to commence at a future date only within the following timelines:
 - (a) For service with a primary term of less than ninety (90) Days, the requested service shall commence no later than five (5) days from the date the capacity is awarded;
 - (b) For service with a primary term of ninety (90) Days or more but less than one (1) year, the requested service shall commence no later than thirty (30) days from the date the capacity is awarded; and
 - (c) For service with a primary term of one (1) year or longer, the requested service shall commence no later than six (6) months from the date the capacity is awarded.

- (2) Pipeline may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Section 3.4(E)(1) above if the request involves any of the following circumstances:
 - (a) The request is for capacity pursuant to an open season initiated by Pipeline;
 - (b) The request involves capacity that is available due to the termination of an existing Service Agreement or the reduction of contractual quantities under an existing Service Agreement; or
 - (c) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

- (3) In the event that Pipeline allows a variation from the schedule defined in this Section 3.4(E), the variation shall be detailed in the open season posting. In addition, unless otherwise agreed to by Pipeline, all awards of capacity pursuant to this Section 3.4(E) must be for continuous service at a constant MDQ at maximum rates for the entire term of the service. If Pipeline agrees to consider varying from the schedule described above by conducting an open season, then Pipeline is free to reject any bid that meets

the minimum terms if the bid is for less than the term of the service 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.

(F) Interim Service.

- (1) Capacity that is under contract for a future period pursuant to Section 3.4(A)(12), Section 3.4(E) or this Section 3.4(F) ("Prospective Capacity") may be made available on an interim basis up to the service commencement date of such contract for a future period ("Interim Capacity") pursuant to this Section 3.4(F).
- (2) In the event that the requested start date of the Prospective Capacity extends more than one year into the future, the Interim Capacity would be eligible for a right of first refusal ("ROFR") if such Interim Capacity is acquired at the applicable Maximum Recourse Rate unless Pipeline limits the ROFR rights for such Interim Capacity by using the following procedures for the sale of Prospective Capacity and Interim Capacity.
 - (a) A pre-arranged transaction for any such Prospective Capacity must be posted for competitive bidding pursuant to the requirements of Sections 3.4(A) through 3.4(D) above;
 - (b) The bid evaluation methodology used to determine the best bid for the award of the Prospective Capacity must be net present value; and
 - (c) If, after the award of Prospective Capacity, Pipeline receives any request for related Interim Capacity that would otherwise have ROFR rights, the Interim Capacity will be posted for competitive bidding pursuant to the provisions of Sections 3.4(A) through 3.4(D) above; such posting will indicate that such Interim Capacity will not have ROFR rights.
- (3) Any party desiring to submit a bid for such Interim Capacity must submit its bid online via the LINK® System in accordance with the provisions of Section 3.4(A)(6) above. Such Interim Capacity will be available for bidding for at least one (1) Business Day, as set forth in Section 3.4(A)(5) above. Pipeline shall award the Interim Capacity and post a notice of the winning bid(s) on the LINK® System, in accordance with Sections 3.4(A)(7) through 3.4(A)(9) above.

3.5 Execution of Service Agreement and Amendments. A Service Agreement and/or an amendment to an existing Service Agreement shall be executed, as specified in this Section 3.5, by Customer and Pipeline following the completion of the open season process pursuant to Section 3.4 above and/or the completion of the approval process.

- (A) All interruptible Service Agreements, all interruptible Service Agreement amendments, all Multiple Shipper Option Agreements, all firm Service Agreements with a term of two (2) years or less, and all amendments for firm Service Agreements with a term of two (2) years or less shall be executed electronically via the LINK® System by Customer and Pipeline; any Service Agreement that is executed in full utilizing electronic transmission through the LINK® System is a valid and enforceable Service Agreement that is binding on all parties. All firm Service Agreements with a term of more than two (2) years and all amendments to firm Service Agreements with a term of more than two (2) years shall be executed in writing. A Service Agreement shall be executed and, if executed in writing returned to Pipeline, within fifteen (15) days of the later of (i) the determination of the winning bid in an open season, or (ii) the tender of a Service Agreement by Pipeline.
- (B) For each of Pipeline's firm Rate Schedules, the Service Agreement executed in writing or electronically via the LINK® System, as applicable, by Customer and Pipeline, the Multiple Shipper Option Agreement (if applicable) executed electronically via the LINK® System by Customer and Pipeline, the Exhibit(s) executed by Customer and Pipeline, the applicable Rate Schedule, the General Terms and Conditions of this Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Customer and Pipeline.
- (C) For each of Pipeline's interruptible Rate Schedules, the Service Agreement executed electronically via the LINK® System by Customer and Pipeline, the Exhibit(s) executed by Customer and Pipeline, the applicable Rate Schedule, the General Terms and Conditions of this Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Customer and Pipeline.

3.6 Pregranted Abandonment and Right of First Refusal.

- (A) Except as provided below in this Section 3.6, Pipeline shall have all necessary abandonment authorizations under the Natural Gas Act upon (i) the expiration of the contractual term, or (ii) the partial reduction of service levels pursuant to either any contractual right for such reduction or a right of first refusal under this Section 3.6, or (iii) the termination of the Service Agreement.

- (B) At the time that Customer provides to Pipeline a notice to terminate all or a portion of a ROFR Agreement pursuant to the applicable provision of such agreement, or at any time during the right of first refusal process set forth in this Section 3.6, Customer may, at its sole option, notify Pipeline that it shall not exercise its right to match the “best bid(s)” as determined pursuant to Section 3.6(G) herein. In the event that such notice is provided by Customer prior to the date on which the capacity is posted pursuant to Section 3.6(D) below, the right of first refusal process shall not be applicable to such capacity and the capacity shall be posted on Pipeline’s Internet Web Site under the Informational Postings category as available capacity and marketed pursuant to Section 3.4 of these General Terms and Conditions. If such notice is provided by Customer subsequent to the posting of the ROFR capacity and prior to the deadline for the submission of bids, as set forth in Sections 3.6(D) and 3.6(E) below, respectively, the right of first refusal process will continue to be applicable to such capacity, but Customer shall not have the right to match the best bid(s).
- (C) If Customer satisfies the bid matching requirements of this Section 3.6, such Customer may retain its capacity with respect to any capacity under a Service Agreement which qualifies as a ROFR Agreement and which is to be unsubscribed as a result of (i) the expiration of the contractual term, (ii) the partial reduction of service levels, either pursuant to any contractual right for such reduction or pursuant to this Section 3.6 or (iii) the termination by either Customer or Pipeline of the Service Agreement in a manner consistent with the provisions of the Service Agreement and applicable provisions of the Tariff, and continue to receive firm service under a new Service Agreement.
- (D) Eleven (11) months prior to the effective date of the partial reduction pursuant to a ROFR Agreement or the termination of a ROFR Agreement, Pipeline shall post on the LINK® System and the Internet Web Site the following information:
- (1) the specific Quantity of Gas available under the Service Agreement to be terminated,
 - (2) the applicable Primary Point(s) of Receipt and Primary Point(s) of Delivery,
 - (3) the date of expiration, and
 - (4) the current Maximum Recourse Rate applicable to the Service Agreement to be terminated.
- (E) Any party that desires service to be provided in whole or in part by the capacity posted pursuant to Section 3.6(D) (“ROFR Bidder”) must submit

bids for such capacity via the LINK® System no later than the last day of the fourth month following the month in which Pipeline posts an applicable notice pursuant to Section 3.6(D). To be a valid bid, a bid must comply with the bid requirements set forth in Section 3.6(F). At the close of such bidding period, Pipeline shall select among the valid bids the "best bid(s)", as determined pursuant to Section 3.6(G), and shall relay the relevant terms of such "best bid(s)" to the Customer whose capacity has been posted pursuant to Section 3.6(D) within three (3) Business Days of the close of such bidding period. If Customer elects to match, pursuant to Section 3.6(H) below, the "best bid(s)", Customer shall notify Pipeline of such election via the LINK® System and shall be entitled to retain its capacity and continue to receive firm service under a new Service Agreement which reflects the matching of the relevant contractual provisions of the "best bid(s)". If Customer does not match the "best bid(s)", then Customer's right of first refusal for the capacity shall terminate and Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. In the event there is no "best bid(s)" for Customer to match, Section 3.6(I) shall determine whether Customer shall be entitled to retain its capacity and continue to receive service.

- (F) To be a valid bid, the ROFR Bidder must provide all information and data required by Sections 3.2 and 4 of these General Terms and Conditions.

Pipeline may reject all bids which would require Pipeline to discount below a rate and/or for a discount period not agreeable to Pipeline. If Pipeline rejects any bid(s) submitted pursuant to this Section 3.6, Pipeline will notify the ROFR Bidder(s) via email of the reason(s) for such rejection. In the event Pipeline agrees to accept a rate that is less than the applicable Maximum Recourse Rate, Pipeline and Customer must agree upon a Negotiated Rate pursuant to the provisions of Section 22 of these General Terms and Conditions or Customer must submit a discount request online via the LINK® System and Pipeline must approve such request pursuant to the provisions of Section 23 of these General Terms and Conditions, as applicable, in order for such rate to become effective.

- (G) Pipeline shall review all bids from ROFR Bidders received pursuant to Section 3.6(E), which have not been rejected by Pipeline, to determine which bid is the "best bid(s)". For purposes of this Section 3.6, the "best bid(s)" shall be the bid(s) which yields to Pipeline the highest net present value. Net present value shall be calculated on the basis of the present value of the Reservation Charge per unit to Pipeline, except that under a Negotiated Rate agreement with a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In making the determination of net present value, Pipeline shall apply the interest rate, as of the date of the

review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.

- (H) Upon receipt from Pipeline of the "best bid(s)", Customer shall have the right for a thirty (30) day period to notify Pipeline via the LINK® System that Customer is willing to match the "best bid(s)" for the capacity in whole or in part, made available by (i) the termination of such ROFR Agreement, (ii) expiration of the term of the Service Agreement by its own terms, or (iii) partial reduction pursuant to contractual right or the reduction of the service level pursuant to a right of first refusal. Failure to submit a matching bid pursuant to this Section 3.6(H) constitutes a non-revocable waiver of Customer's right to match the "best bid(s)" and termination of the right of first refusal for the capacity and Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. In order to match the "best bid(s)", Customer must agree to a rate, up to the maximum rate and contract term that provide Pipeline with at least the same net present value, for an equivalent amount of capacity, as the valid "best bid(s)" submitted by the ROFR Bidder(s); provided, however, the maximum rate a Customer must match is the maximum rate Pipeline can charge for delivery to Customer's Primary Point(s) of Delivery under the ROFR Agreement which is subject to the Customer's right to match the "best bid".

- (I) In the event Pipeline does not receive any bids pursuant to Section 3.6(E) or Pipeline rejects all bids received due to the fact that such bids were premised on rate discount levels or rate discount periods unacceptable to Pipeline, Pipeline and Customer may mutually agree upon the terms and conditions under which Customer shall be entitled to retain its capacity and continue to receive service. In no event shall Pipeline and Customer agree upon terms which yield to Pipeline a net present value less than any bid received pursuant to Section 3.6(E) and rejected by Pipeline pursuant to Section 3.6(F), and in no event shall Pipeline be obligated to sell capacity at less than the Maximum Recourse Rate for such capacity. In the event Pipeline and Customer have not reached agreement on the terms and conditions under which service will be extended, at Customer's election, such election to be exercised prior to the date which is five (5) months before the termination date, Pipeline shall tender and Customer shall execute, within twenty (20) days of receipt, a new Service Agreement reflecting service for all or part of the contractual quantity, so long as such Customer agrees to pay the Maximum Recourse Rate; provided, however, if Pipeline and Customer mutually agree to a lower rate which yields to Pipeline a net present value equal to or greater than any bid received pursuant to Section 3.6(E) and rejected by Pipeline pursuant to Section 3.6(F), Customer does not have to pay the Maximum Recourse Rate to retain the capacity. The new Service Agreement must

meet all the requirements of the definition of ROFR Agreement in order for Customer to continue to have the right of first refusal pursuant to Section 3.6.

- (J) In the event Pipeline and Customer do not execute a new Service Agreement pursuant to the provisions of this Section 3.6, Pipeline shall have all necessary pregranted abandonment authorization as to any part of the contractual quantity which is not covered by a new Service Agreement.
- (K) Capacity which is not subject to the right of first refusal claim pursuant to Section 3.6 shall be posted as available capacity on Pipeline's Internet Web Site and shall be marketed in accordance with Section 3.4 of Pipeline's General Terms and Conditions.

3.7 Extension of Service Agreements.

- (A) Prior to the expiration of the term of a Service Agreement and prior to Pipeline's posting the availability of capacity under Pipeline's right of first refusal provisions set forth in Section 3.6 of these General Terms and Conditions, if applicable, Pipeline and Customer may mutually agree to an extension of the term of the Service Agreement (the exact length of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).
- (B) At any time Pipeline and Customer agree to extend an existing Service Agreement and the terms and conditions of such Service Agreement are not consistent with the then currently effective Form of Service Agreement contained in this Tariff, Pipeline may, on a not unduly discriminatory basis, require Customer to enter into a new Service Agreement which conforms to the currently effective Form of Service Agreement for such extended service term, provided, however, that such new Service Agreement will reflect any applicable Customer rights contained in the existing Service Agreement.

3.8 Exit Fee for Early Termination. To the extent that a Customer desires to terminate an existing Service Agreement and Pipeline agrees to such termination, Pipeline will collect all or a portion of the capacity Reservation Charges otherwise recoverable by Pipeline from Customer for the balance of the term of the Service Agreement, absent such early termination.

3.9 Modification. No modification to the terms and provisions of any Service Agreement or exhibit thereto shall be or become effective except by the execution of a superseding Service Agreement or exhibit thereto.

4. **CREDIT EVALUATION**

4.1 Evidence of Creditworthiness.

- (A) Pipeline's acceptance of a request for new service or a request resulting in a Billing Amendment under any Rate Schedule set forth in this Tariff is contingent upon Customer satisfying a credit appraisal by Pipeline. Pipeline shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. Pipeline shall not use any criteria, formula, ranking system or other methodology that would give any preference or advantage to an affiliate of Pipeline.
- (B) Customer (or an affiliate which guarantees Customer's obligations under the Service Agreement) shall be deemed to be creditworthy if it has and continues to maintain for the duration of the term of the Service Agreement its long term senior unsecured debt rating, or in the absence of a long-term senior unsecured debt rating, a local long-term issuer or issuer rating, as applicable, from (a) Moody's Investor Service ("Moody's") of Baa3 or higher, or (b) Standard & Poor's ("S&P") of BBB- or higher (either (a) or (b) is considered to be "Investment Grade").

If Customer is rated by both of the rating agencies described above but one such agency's rating is lower than the other agency's rating, then Customer's creditworthiness shall be determined based on the lower of the two ratings.

A Customer who (i) is not Investment Grade, (ii) fails to remain Investment Grade, or (iii) does not have a credit rating at all, will be accepted as creditworthy if Pipeline evaluates Customer's (or an affiliate who guarantees Customer's obligations under the Service Agreement) overall financial position in accordance with this Section 4.1, including the information required in Sections 4.1(C)(1)-(6) below, and determines that, notwithstanding the absence of an acceptable rating, Customer is deemed by Pipeline to have a rating equivalent to being Investment Grade.

- (C) To enable Pipeline to conduct a credit appraisal, Customer shall submit the information specified in Sections 4.1(C)(1)-(6) below; provided, however, that submission of such material shall not be deemed acceptance of a request for service by Pipeline, which determination shall be made by Pipeline only after submission of the material and information set forth below and a determination Pipeline that Customer is sufficiently creditworthy. In the event Customer cannot provide the information required by this Section 4.1(C), Customer shall, if applicable, provide such information for its parent company.

- (1) Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Pipeline shall determine the acceptability of the Customer's overall financial condition.
- (2) Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in accordance with Section 4.1(C)(1) above must show that Customer's obligations are being paid on a reasonably prompt basis.
- (3) Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not 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. An exception can be made for a Customer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction.
- (4) Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity.
- (5) Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
- (6) If Customer has an on-going business relationship with Pipeline, no delinquent balances should be outstanding for services provided previously by Pipeline, and Customer must have (i) paid its account during the past according to the established terms and (ii) not made deductions or withheld payment for claims not authorized by contract.

4.2 Forms of Security. Pipeline shall not be required to perform or to continue service under any Rate Schedule on behalf of any Customer who is or has become insolvent or who, at Pipeline's request, fails within a reasonable period to demonstrate creditworthiness.

- (A) Upon notification by Pipeline that a Customer has failed to satisfy the credit criteria or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by Pipeline if it pays any outstanding balances due Pipeline for service rendered or has complied with Section 20.7 of these General Terms and Conditions with regard to such balances and elects to provide one of the following forms of security:
- (1) an advance deposit in the amount set forth in Section 4.2(B) or 4.2(C) below, as applicable;
 - (2) a standby irrevocable letter of credit in the amount set forth in Section 4.2(B) or 4.2(C) below, as applicable, acceptable to Pipeline, issued by a financial institution that satisfies Pipeline's credit appraisal;
 - (3) security interest in collateral found to be satisfactory to Pipeline; or
 - (4) a guarantee, acceptable to Pipeline, by another person or entity which satisfies Pipeline's credit appraisal.

Pipeline shall provide such Customer with a written statement supporting Pipeline's request for the security amount requested at the time such security is requested. If Pipeline rejects the security provided by Customer in accordance with Section 4.2(A)(2)-(4) above, Pipeline shall re-issue its request for the security and include a written explanation for the rejection of the security previously provided by Customer.

- (B) For a new Customer, the security amount required by Section 4.2(A) above shall be calculated as follows:
- (1) For firm transportation service, an amount equal to the three (3) highest Months' worth of reservation charges at the rate specified in Customer's firm Service Agreement, Negotiated Rate Agreement or Discount Confirmation, as applicable, which Customer is obligated to pay Pipeline during a contract year or for the duration of Customer's firm Service Agreement, whichever is shorter;
 - (2) For interruptible transportation service, an amount equal to fifteen (15) Days of usage per Month for three (3) Months or the duration of Customer's interruptible Service Agreement, whichever is shorter, multiplied by the arithmetic average of the usage rate(s) specified in Customer's interruptible Service Agreement, Negotiated Rate Agreement or Discount Confirmation, as

- applicable, which Customer is obligated to pay Pipeline, multiplied by Customer's Maximum Daily Quantity;
- (3) For Park and Loan service, the Park and Loan Daily Charge specified in Customer's park and loan Service Agreement, Negotiated Rate Agreement or Discount Confirmation, as applicable multiplied by Customer's Maximum Park Quantity or Maximum Loan Quantity, as applicable, plus the value of any quantity to be loaned to Customer;
 - (4) For Capacity Release Umbrella Agreements, Pipeline will accept any collateral amount submitted by Customer in relation to the request for the agreement; however, Customer will be required to comply with all of Pipeline's credit requirements at such time as Customer submits a bid to acquire released capacity pursuant to Section 5 of these General Terms and Conditions;
 - (5) For other agreements (e.g., Operational Balancing Agreement, Transportation Aggregation Balancing Service), an estimated imbalance quantity of 5,000 Dth per Month for three (3) Months or the duration of Customer's Service Agreement, whichever is shorter, multiplied by the average of Pipeline's cashout prices for all Zones for the latest three (3) Months.
- (C) For an existing Customer, the security amount required by Section 4.2(A) above shall be equal to the highest three (3) Months of activity (based on usage of in-kind and loan agreements and the billed amounts, including cashout amounts, for all other agreements) for all of Customer's active Service Agreements during the previous twelve (12) Months. For the purposes of this section, the term "in-kind agreement" does not include fuel reimbursement.
- (D) With respect to a request for new service or a request resulting in a Billing Amendment, the security required by Pipeline pursuant to Section 4.2(A) above must be received by Pipeline within ten (10) Business Days of Pipeline's written notification to Customer, otherwise, such request will be rejected by Pipeline. With respect to an existing Service Agreement, Customer must tender (i) an advance payment equal to the highest Month of activity (based on usage of in-kind and loan agreements and the billed amounts, including cashout amounts, for all other agreements) for all of Customer's active Service Agreements during the previous twelve (12) Months within five (5) Business Days of Pipeline's notification, and (ii) the security required by Section 4.2(A) above within thirty (30) Days of Pipeline's notification. If such advance payment or security is not received within the specified time period(s), then Pipeline may immediately suspend service, and may terminate Customer's Service Agreement(s) upon thirty (30) Days' notice to Customer and the Commission.

- 4.3 Re-evaluation of Customer's Creditworthiness. Once every twelve (12) months, Customer shall provide Pipeline with updated financial information in the form required in Section 4.1(A) above. In addition, if Pipeline becomes aware that there may be a potentially material change in the financial condition of an existing Customer, Pipeline shall require Customer to promptly resubmit all of the financial information required in Section 4.1(A) above. Pipeline shall re-evaluate Customer's creditworthiness based upon the updated information provided by Customer pursuant to Section 4.1(A) above. If Customer's credit standing ceases to meet Pipeline's credit requirements at any time during the period of service, then Pipeline has the right to require security as specified in Section 4.2(B) or Section 4.2(C) above, as applicable. If the credit standing of any entity issuing a letter of credit and/or guaranty in support of Customer's obligations ceases to meet Pipeline's credit appraisal at any time during the period of service, then Pipeline has the right to require Customer to provide replacement security that satisfies the requirements of Section 4.2(B) or Section 4.2(C) above, as applicable.
- 4.4 In the event any information provided by Customer pursuant to Sections 3.2 and 4.1(A) with respect to a request for new service or a request that would result in a Billing Amendment materially changes prior to execution of the new Service Agreement or Billing Amendment, as applicable, or Customer learns that such information may materially change prior to execution of the Service Agreement or Billing Amendment, as applicable, Customer shall be obligated to provide written notice of such material changes to Pipeline. Pipeline shall require Customer to resubmit all of the financial information required in Section 4.1(A) above within ten (10) Business Days of the identification of the material change. If such updated financial information is not received within ten (10) Business Days, the request for service will be rejected by Pipeline. Pipeline shall re-evaluate Customer's creditworthiness based upon the updated information provided by Customer pursuant to this Section 4.4.
- 4.5 Security in the form of an advance deposit provided by Customer pursuant to Section 4.2(A) above shall accrue interest to the benefit of Customer from the date Pipeline receives such deposit and continuing until such advance deposit is no longer held by Pipeline. Interest on such advance deposits shall be calculated monthly at the most recently established 91-day Treasury Bill auction rate, as published in The Wall Street Journal. Alternatively, a Customer providing security in the form of an advance deposit pursuant to Section 4.2(A) above may deposit such security into an interest-bearing escrow account, established by Customer at Customer's expense, to which account Pipeline shall have unrestricted access to withdraw sums in the amount of an invoice upon presentation of an invoice for the payment of services provided to Customer.

5. CAPACITY RELEASE

5.1 Service Agreements Eligible For Capacity Release.

- (A) Customers under any firm Service Agreement, except as specifically restricted by the applicable Rate Schedule, are permitted to release their firm capacity in whole or in part as set forth in Section 5.1(B) below, on a full Day or a partial Day basis, on a permanent or temporary basis, and on a recallable or non-recallable basis, subject to the procedures set forth in this Section 5. Customer may designate an entity (a "Prearranged Customer") to which it has agreed to release the capacity upon specified terms and conditions. Customer's offer to release under a prearranged transaction shall be subject to the prior posting and bidding procedures described in Sections 5.3 and 5.9 herein, with the Prearranged Customer being given a right to match the best bid submitted during the bid period.
- (B) In addition to releasing a portion of all capacity rights under a firm Service Agreement, capacity rights under such firm Service Agreement may be released in discrete packages representing all or a fraction of the firm capacity rights of the Service Agreement in any Segment of Pipeline's system, subject to the requirement that the release or multiple releases do not increase the total contractual entitlements (including, without limitation, the MDQ, MDRO or MDDO) above the contractual entitlements of the original firm Service Agreement in any Segment or at any point. The right to segment is subject to the requirement that aggregate Quantities of Gas received, transported or delivered under a Customer's Service Agreement, and, if such Service Agreement is the result of capacity release, the aggregate Quantities of Gas received, transported or delivered by all other Customers utilizing capacity rights derived from the original firm Service Agreement, shall not exceed the contractual entitlements under such original firm Service Agreement in any Segment.

5.2 Notice of Offer.

- (A) A Customer offering to release firm service entitlements shall notify Pipeline via the LINK® System of the terms of its offer prior to the posting deadline as determined pursuant to Section 5.4 herein. Any terms and conditions imposed on the offer to release by the Releasing Customer as provided for in this Section 5 must be objectively stated, reasonable, capable of administration or implementation by Pipeline without any material increase in burden or expense, applicable to all potential bidders, not unduly discriminatory, and consistent with the terms and conditions of this Tariff and Releasing Customer's Service Agreement. Customer's

offer to release its firm service entitlements shall be referred to in this Section 5 as the "Releasing Customer's Notice".

- (B) Releasing Customer will have the right to withdraw its Releasing Customer's Notice at any time prior to the close of the bid period associated with such Releasing Customer's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing Customer's Notice have been made. Releasing Customer's Notice will be legally binding on the Releasing Customer until notice of withdrawal is received by Pipeline via the LINK® System. The notice must contain the reason for withdrawal which Pipeline shall post on the LINK® System.
- (C) Releasing Customer's Notice shall provide the following information:
- (1) Customer's legal name;
 - (2) an e-mail address for the Releasing Customer's contact person. It is the Releasing Customer's responsibility to update e-mail address information provided to Pipeline as necessary.
 - (3) Releasing Customer's Service Agreement number;
 - (4) whether the release is on a permanent or a temporary basis;
 - (5) whether the capacity will be recallable or non-recallable; and if recallable, (i) whether the recall rights are on a full Day or a partial Day basis, (ii) the specifics of any recall right, (iii) whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, (iv) the recall notification period(s), as identified in Section 5.11(C) below, that will be available for use by the parties, and (v) any reput methods and rights associated with returning the previously recalled capacity to the Replacement Customer. These rights and methods may be either: (i) the reput must be accepted by the original Replacement Customer for the original terms of the release, or (ii) the reput may be accepted at the option of the original Replacement Customer for the original terms of the release.
 - (6) the Business Day upon which the bid period will expire if the Releasing Customer desires to establish a bid period that is longer than that specified in Section 5.4 herein and the expiration of the matching period if the Releasing Customer desires to establish a matching period that is longer than that specified in Section 5.4 herein; Releasing Customer shall not be able to specify an

extension of the original bid period or the prearranged deal match period without posting a new release;

- (7) the MDQ to be released, expressed as a numeric quantity, and, if the Releasing Customer is proposing to release any of its Primary Point(s) of Receipt and/or Primary Point(s) of Delivery and the associated Maximum Daily Receipt Obligation and Maximum Daily Delivery Obligation for each point, as applicable, the specific locations and quantities to be released at specific locations, subject to the daily quantity limitations described in Section 5.7 below;
- (8) the proposed effective date and term of the release. The minimum term for releases hereunder can be less than one (1) Day and the maximum term shall not extend beyond the expiration of this Tariff provision or beyond the expiration of Releasing Customer's Service Agreement.
- (9) the identity of any Prearranged Customer proposed to obtain released capacity under the rates, terms and conditions contained in the Releasing Customer's Notice;
- (10) whether the Prearranged Customer is affiliated with the Releasing Customer;
- (11) the minimum Reservation Charge, if any, or, if the Releasing Customer elects, the minimum Reservation Charge restated on a volumetric basis, or on a percentage basis of the Maximum Recourse Rate, or for a release on a volumetric basis, the volumetric commitments, and/or any other minimum conditions. Releasing Customer must state any rates equal to the number of decimal places in the stated rates for the applicable Rate Schedule. Releasing Customer may specify a minimum Reservation Charge requirement which is in excess of the Maximum Recourse 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 Pipeline is notified of the release.
- (12) The maximum and/or minimum rates specified by Releasing Customer may exceed the Maximum Recourse 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 Pipeline is notified of the release.

- (13) which one of the following methods is acceptable for bidding on Releasing Customer's Notice:
- Non-Index based release – dollars and cents
 - Non-Index based release – percentage of maximum rate, or
 - Index-based formula as detailed in Releasing Customer's Notice.

The bids related to Releasing Customer's Notice must adhere to the method specified by Releasing Customer.

- (14) for biddable releases, the bid evaluation method which shall be, at the Releasing Customer's option, one of the following three standard evaluation methods: highest rate, net revenue or present value; or an alternative Releasing Customer defined bid evaluation method. If Releasing Customer specifies an alternative bid evaluation method, such alternative bid evaluation method shall be objectively stated, applicable to all Replacement or Prearranged Customers and not unduly discriminatory, and shall be set forth with sufficient specificity that Pipeline's evaluation of the bids to determine the "best bid" is a purely ministerial matter that does not require any discretionary exercise of judgment by Pipeline.
- (15) for biddable releases, the method that Pipeline will apply to award capacity among multiple bids that yield the same value ("Tie Break Method");
- (16) whether contingent bids may be submitted, and, if so, the date by which each contingent bidder will be required to satisfy or eliminate the contingency if Releasing Customer elects to allow the bidder additional time beyond the time period specified in Sections 5.4(A) and 5.4(B) to satisfy or eliminate the contingency;
- (17) the priorities that Pipeline is authorized to utilize in the event that overlapping nominations submitted by Releasing Customer and any Replacement Customer holding capacity obtained from Releasing Customer (1) are in excess of Releasing Customer's original MDQ in any Segment, and (2) have the same scheduling priority as determined pursuant to Section 12.2 of these General Terms and Conditions;
- (18) whether Releasing Customer will allow the Replacement or Prearranged Customer to amend the Primary Point(s) of Receipt and/or Primary Point(s) of Delivery after the capacity is awarded;

- (19) whether the Releasing Customer will allow the Replacement or Prearranged Customer to re-release the capacity acquired from the Releasing Customer;
- (20) 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-mandated 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 the obligation is in effect; and
- (21) any additional terms and conditions that are objective and non-discriminatory, including, but not limited to, minimum rates, term and quantity, and whether Releasing Customer elects not to reveal minimum conditions to anyone other than Pipeline.

5.3 Posting of Offers. Following receipt of a Releasing Customer's Notice which satisfies the requirements set forth in Section 5.2 above, Pipeline will post such information on the LINK® System pursuant to Section 5.6 below in accordance with the timelines set forth in Sections 5.4 and 5.5 herein; however, Pipeline shall not post any minimum conditions that Releasing Customer has elected not to disclose. Pipeline shall also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth in Section 5.18 below.

5.4 Capacity Release Timelines for Releases that are Subject to Bidding.

- (A) The proposed duration of the Customer's release and whether or not the release is subject to bidding determines the applicable capacity release timeline for Releasing Customer's Notice pursuant to this Section 5.4. The capacity release timeline applies to all parties involved in the capacity release process provided that (i) all information provided by the parties to the transaction is valid and Replacement Customer or Prearranged Customer has been determined to be creditworthy before the capacity release bid is tendered, (ii) for index-based capacity release transactions, Customer has provided Pipeline with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (iii) there are no special terms or conditions of the release. Pipeline shall complete the capacity release process in accordance with the timeline set forth in Section 5.4(B)(3) below if Releasing Customer's Notice includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Pipeline).

(B) The capacity release timelines are as follows:

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

- Releasing Customer's Notice shall be tendered such that it can be posted by 9:00 a.m. on a Business Day.
- The bid period ends at 10:00 a.m. on the same or a subsequent Business Day.
- The evaluation period begins at 10:00 a.m., during which any contingencies are eliminated, determination of best bid is made and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where a match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.
- The Service Agreement is issued within one hour of the award posting (with a new Service Agreement number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 11 and 12 of these General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's Notice

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

- Releasing Customer's Notice shall be tendered such that it can be posted by 9:00 a.m. of a Business Day.
- The bid period shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- The evaluation period begins at 10:00 a.m., during which any contingencies are eliminated, determination of best bid is made and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m..
- Where a match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.
- The Service Agreement is issued within one hour of the award posting (with a new Service Agreement number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 11 and 12 of these General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's Notice.

(3) Timeline for non-standard releases:

For the capacity release business process timing model, only the following methodologies are required to be supported by Pipeline and provided to Releasing Customers 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, Releasing Customer shall provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) or any special terms or conditions, will be accorded the same timeline evaluation treatment; provided, however, one additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, which shall cause Gas flow to occur at least one Day later than Gas could flow under the timelines set forth in Sections 5.4(B)(1) and 5.4(B)(2) above.

5.5 Releases that are Not Subject to Bidding.

- (A) Compliance with the bidding requirements of Section 5.4 above is not required for the following types of releases (*18 C.F.R § 284.8(h)(1)*); however, these releases are subject to all other provisions of this Section 5:
- (1) a release for any period of thirty-one (31) Days or less,
 - (2) a release for more than one (1) year at the Maximum Recourse Rate,
 - (3) a release of capacity to an asset manager (as defined in Section 284.8(h)(3) of the Commission's regulations), and
 - (4) a 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).
- (B) Any release, with the exception of releases to an asset manager or to a marketer participating in a state-mandated retail access program, with a

term that is greater than thirty-one (31) Days and less than or equal to one (1) year must be posted for bidding pursuant to Section 5.4 above, regardless of the proposed rate. Customer shall notify Pipeline of such non-biddable release by providing the information pursuant to Section 5.2(C) above, which information will be posted on the LINK® System and by Electronic Data Interchange as required by Section 5.6 herein.

- (C) The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to Section 11.5(A) of these General Terms and Conditions. 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.

Prior to the nomination deadline for the chosen cycle for the begin date specified in the Releasing Customer's Notice, Prearranged Customer must initiate confirmation of prearranged deals electronically. The Service Agreement will be issued within one hour of the award posting (with a new Service Agreement number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 11 and 12 of these General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's Notice.

- (D) Notwithstanding the standard timelines specified in Sections 5.4(A), 5.4(B) and 5.5(C) above, Pipeline shall support a process to allow Releasing Customer and Prearranged Customer 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.
- (E) 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 5, Releasing Customer may not rollover, extend, or in any way continue the capacity release to the same Replacement Customer which utilizes the same capacity or overlaps such capacity using the thirty-one (31) days or less bidding exemption described in Section 5.5(A) 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

Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 5.5(A) above. All other provisions of this Section 5 shall apply, including Customer's obligations under Section 5.14(B).

5.6 Posting of Bids and Offers on the LINK® System.

Pipeline shall post offers and bids, including prearranged deals, upon receipt; provided, however, offers and bids must be complete before posting. Only posted offers and bids will be available electronically. If Releasing Customer requests a later posting time, Pipeline shall support such request insofar as it comports with the standard timelines set forth in Sections 5.4 and 5.5 above. Releasing Customer's Notice will be posted on the LINK® System and by Electronic Data Interchange until the expiration of the bid period, except for those Releasing Customers' Notices for capacity releases identified in Section 5.5(A) above as not subject to competitive bidding, which shall not be subject to bidding but shall be posted on Pipeline's Internet Web Site as soon as possible, but not later than the first nomination, after the release transaction commences. All terms and conditions of completed capacity release transactions will be posted on the LINK® System and, where applicable, by Electronic Data Interchange in accordance with Section 2.2(C) of these General Terms and Conditions, including the names of the Releasing Customers involved in the capacity release transaction; however, Pipeline shall not post any minimum conditions that Customer has elected not to disclose. Pipeline may invalidate any Releasing Customer's Notice or any bid subsequent to its posting on the LINK® System if such Releasing Customer's Notice or bid does not conform to the requirements of this Section 5 and the other provisions of this Tariff. Such invalidated Releasing Customer's Notice or bid shall be deemed null and void.

5.7 Partial Day Release Quantity.

- (A) The daily contractual entitlement that can be released by a Releasing Customer for a partial Day release is limited to the lesser of:
- (1) the quantity contained in Releasing Customer's Notice; or
 - (2) a quantity equal to the difference between the MDQ for the Service Agreement to be released by the Releasing Customer and the quantity scheduled on such Service Agreement for that period of the Day prior to the effective time of the release of the capacity, based upon the Elapsed-prorated-scheduled Quantity.
- This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.
- (B) If on the Day of a partial Day release, Releasing Customer's existing scheduled quantity exceeds the MDQ remaining on the original Service Agreement after the award of the partial Day release, then Releasing

Customer must reduce its nominated quantity to a quantity that is equal to or less than the MDQ remaining on the original Service Agreement.

5.8 Qualification of Prospective Replacement Customer. A Replacement Customer or a Prearranged Customer must be on Pipeline's approved bidders list before bids may be posted on the LINK® System. To be on the approved bidders list, Replacement Customer or Prearranged Customer must have an executed Capacity Release Umbrella Agreement, and must satisfy Pipeline's credit requirements as outlined in Section 4 of these General Terms and Conditions at the time of any bid. In addition, Replacement Customer or Prearranged Customer must provide the information required by Section 3.2 of these General Terms and Conditions. Pipeline will apply its creditworthiness criteria to assess the submission. Such credit appraisal shall be reevaluated and updated pursuant to Section 4.3 of these General Terms and Conditions. Replacement Customer or Prearranged Customer shall remain on the approved bidders list until such Replacement Customer or Prearranged Customer (i) notifies Pipeline to the contrary, (ii) no longer meets the credit qualifications established in Section 4 of these General Terms and Conditions, or (iii) is suspended from the approved bidders list in the event, and for such time as, such party fails to pay part or all of the amount of any bill for service in accordance with Section 20 of these General Terms and Conditions. Pipeline will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers or Prearranged Customers and permit them to submit bids, if Releasing Customer provides Pipeline with a guarantee or other form of credit assurance in form and substance satisfactory to Pipeline of all financial obligations of Replacement Customer or Prearranged Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to Replacement Customer or Prearranged Customer. Replacement Customer or Prearranged Customer must satisfy all other Pipeline tariff provisions governing Customer eligibility before it may contract with Pipeline for the released capacity.

5.9 Submission of Bids by Potential Replacement Customer.

- (A) Any bid submitted by a Replacement Customer or a Prearranged Customer shall include an e-mail address for at least one contact person, and it is such party's responsibility to update e-mail address information provided to Pipeline, as necessary.
- (B) If, pursuant to Section 5.2(C)(11) above, Releasing Customer states the minimum Reservation Charge on a percentage basis of the Maximum Recourse Rate, bids must be submitted on a percentage basis of the Maximum Recourse Rate. For all releases, the usage portion of the rates is determined by the Pipeline and the Replacement or Prearranged Customer and as such will not be taken into consideration when determining the "best bid".

- (C) A potential Replacement or Prearranged Customer may submit bids in excess of the Maximum Recourse 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 Pipeline is notified of the release. Such rate will be utilized in the determination of the "best bid."
- (D) Any bid submitted for released capacity may state that its acceptance is contingent, if Releasing Customer's Notice indicates that contingent bids may be submitted; provided, however, any contingencies included in the bid shall not be contrary to any applicable provision of this Tariff. Pipeline shall reject any bid that contains contingent provisions that are inconsistent with the provisions of this Tariff.
- (E) Any Replacement Customer may make an upward revision to or withdraw its bid during the bid period through the LINK® System; provided, however, if Replacement Customer submits more than one bid for the same capacity, the lower bid will automatically expire. Bids will be legally binding on the Replacement or Prearranged Customer until notice of withdrawal is received by Pipeline via the LINK® System, provided, however bids cannot be withdrawn after the bid period ends. A bidder may not have more than one eligible bid for the same release offer at any time. Replacement Customer shall not have the opportunity to use its ability to withdraw its bid in order to submit a lower bid. Any bid submitted will legally bind the Replacement or Prearranged Customer to the terms of the bid if Pipeline chooses such bid as the "best bid".

5.10 Determination of the "Best Bid".

- (A) Pipeline shall evaluate bids in accordance with the timelines set forth in Section 5.4 herein and with the bid evaluation method specified in Releasing Customer's Notice, including the standard to be used for breaking ties. Pipeline shall reject any bid which does not meet the minimum term or any other minimum specifications set forth in Releasing Customer's Notice.
- (B) Best Bid. Pipeline shall select the "best bid" from among the bids evaluated pursuant to the provisions of Section 5.10(A) above. If multiple bids meet the minimum conditions stated in Releasing Customer's Notice, Pipeline shall award the capacity, best bid first, until all offered capacity is awarded. For purposes of the foregoing, a Customer paying a Negotiated Rate is subject to the provisions of Section 22.3 of these General Terms and Conditions. Pipeline shall evaluate and determine the best bid among

those bids that are consistent with any terms and conditions specified by Releasing Customer as follows:

- (1) If there is only one valid bid, Pipeline shall award the capacity to the bidder that submitted such bid, subject to any Prearranged Customer's exercise of its matching rights.
 - (2) If there is more than one valid bid, Pipeline shall award the capacity to the bidder whose bid yields the highest value based on the bid evaluation method specified in Releasing Customer's Notice, taking into account the price, volume and term of the bid, as applicable, subject to any Prearranged Customer's exercise of its matching rights. If more than one bid yields the same value under this subsection (2), Pipeline shall award the capacity according to the Tie Break Method specified in Releasing Customer's Notice.
 - (3) For purposes of determining the value of a bid, Pipeline shall use only the reservation charge (including reservation charges stated on a volumetric basis). If the bid evaluation method specified by the Releasing Customer is present value, Pipeline shall use a discount rate of ten (10) percent.
 - (4) In the event that both a contingent bid and a non-contingent bid meet the minimum conditions stated in Releasing Customer's Notice and generate the same value, Pipeline shall reject the contingent bid, even if the bid with no contingency was received later in time.
 - (5) In the event a contingent bid is determined to be the winning bid pursuant to this Section 5.10(B), the bidder that submitted such contingent bid will be required to satisfy or eliminate any contingency in accordance with the applicable capacity release timeline set forth in Section 5.4 above or in Releasing Customer's Notice, as applicable, and shall confirm to Pipeline via e-mail to link-help@spectraenergy.com that the contingency has been satisfied or eliminated. In the event that such bidder fails to satisfy or eliminate its contingency pursuant to this subsection (5), such contingent bid shall be deemed rejected by Pipeline for failure to satisfy or eliminate the contingency and the capacity will be awarded to the next highest bidder(s) as determined pursuant to this Section 5.10(B).
- (C) Matching Rights. Pipeline will allow any Prearranged Customer to exercise its right to match, after the close of the bid period, the "best bid" determined pursuant to Section 5.10(B) above. In the event that the

Prearranged Customer desires to exercise its right to match the "best bid," the Prearranged Customer must notify Pipeline via the LINK® System in accordance with the timelines set forth in Section 5.4 above.

- (D) Award of Capacity. Pipeline shall not award Releasing Customer's Notices to the Replacement Customer until and unless the Replacement Customer meets Pipeline's creditworthiness requirements applicable to all services that it receives from Pipeline, including the service represented by the capacity release. Pipeline shall notify Releasing Customer, the best bidder, and any Prearranged Customer of such determination in accordance with the timelines set forth in Sections 5.4 and 5.5 herein. After the Replacement Customer is selected, Pipeline will provide an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this Tariff to the Replacement Customer via e-mail, at which time the Replacement Customer will have the same rights and obligations as any other existing Customer on Pipeline's system, including capacity release under this Section 5, subject to the re-release rights specified by Releasing Customer pursuant to Section 5.2(C)(19) above. Pipeline will notify the Releasing Customer with recall rights of the name of new Replacement Customers who subsequently obtain all or a portion of such capacity after the Addendum to the Capacity Release Umbrella Agreement is tendered to the Replacement Customer. Following implementation of the release, Pipeline shall post notice of the winning bidder on the LINK® System.
- (E) Releasing Customer shall indemnify and hold Pipeline harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by Pipeline arising out of or related to any determination of a "best bid" pursuant to a standard specified, supplied, approved or provided by Releasing Customer.

5.11 Recall and Reput Provisions.

- (A) Releasing Customer's rights to recall capacity on a full Day or partial Day basis shall be stated clearly in Releasing Customer's Notice. Purchase of Gas by a Releasing Customer from a Replacement Customer at the Releasing Customer's city gate point(s) shall not be deemed to be the exercise of a recall by the Releasing Customer.
- (B) If Releasing Customer desires to exercise its right to recall capacity, such Releasing Customer shall provide capacity recall notification to Pipeline via the LINK® System. 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.

- (C) Recall Timelines. Pipeline shall support the following recall notification periods for all released capacity subject to recall rights:
- (1) Timely Recall Notification:
 - (a) A Releasing Customer recalling capacity shall provide notice of such recall to Pipeline and the first Replacement Customer no later than 8:00 a.m. on the day that Timely Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 9:00 a.m. on the day that Timely Nominations are due;
 - (2) Early Evening Recall Notification:
 - (a) A Releasing Customer recalling capacity shall provide notice of such recall to Pipeline and the first Replacement Customer no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 4:00 p.m. on the day that Evening Nominations are due;
 - (3) Evening Recall Notification:
 - (a) A Releasing Customer recalling capacity shall provide notice of such recall to Pipeline and the first Replacement Customer no later than 5:00 p.m. on the day that Evening Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 6:00 p.m. on the day that Evening Nominations are due;
 - (4) Intraday 1 Recall Notification:
 - (a) A Releasing Customer recalling capacity shall provide notice of such recall to Pipeline and the first Replacement Customer no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;
 - (5) Intraday 2 Recall Notification:
 - (a) A Releasing Customer recalling capacity shall provide notice of such recall to Pipeline and the first Replacement Customer no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due; and
 - (6) Intraday 3 Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement

- Customer no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.
- (D) For recall notification provided to Pipeline prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., Pipeline shall provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For recall notification provided to Pipeline after 5:00 p.m. and prior to 7:00 a.m., Pipeline shall provide notification to all affected Replacement Customers no later than 8:00 a.m. after receipt of such recall notification.
- (E) Pipeline's notices of recalled capacity to all affected Replacement Customers shall be provided via the LINK® System, along with written notice via e-mail communication to the Replacement Customer contact person(s) identified in Replacement Customer's bid submitted pursuant to Section 5.9 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 Pipeline, each affected Replacement Customer shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Customer will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Customers involved in re-release transactions may receive notice slightly after the first Replacement Customer receives notice. The recalling Releasing Customer may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in Section 11 of these General Terms and Conditions.
- (F) For recall notifications provided to Pipeline during the Timely, Early Evening or Evening recall notification period, the recall shall be effective as of the beginning of the specified effective Gas Day. For recall notifications provided during the Intraday 1, Intraday 2 or Intraday 3 recall notification period, the recall shall be effective at 2:00 p.m., 6:00 p.m. or 10:00 p.m., respectively, on the specified effective Gas Day.

(G) Partial Day Recall Quantity.

- (1) The daily contractual entitlement that can be recalled by a Releasing Customer for a partial Day recall is a quantity equal to the lesser of:
 - (a) The quantity specified in the Releasing Customer's notice to recall capacity; or
 - (b) The difference between the quantity released by the Releasing Customer and the Elapsed Prorata Capacity.
- (2) In the recall notification provided to Pipeline by the Releasing Customer, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. In the event of a partial Day capacity recall, Pipeline shall determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the Elapsed Prorata Capacity.
- (3) The amount of capacity allocated to the Replacement Customer(s) shall equal the original released quantity less the recalled capacity that is adjusted based upon the Elapsed Prorata 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 5.11(G)(3), Pipeline shall not be obligated to deliver a combined quantity to the Releasing Customer and the Replacement Customer(s) that is in excess of the total daily contractual quantity of the release.

- (H) Reput Provisions. Pipeline shall support the function of reputting by the Releasing Customer. The Releasing Customer may reput previously recalled capacity to the Replacement Customer pursuant to the reput rights and methods negotiated by the Releasing Customer and the Replacement Customer and identified in the Releasing Customer's Notice, as required by Section 5.2(C)(5) above. When capacity is recalled, such capacity may not be reput for the same Gas Day. The deadline for the Releasing Customer to notify Pipeline of a reput of capacity is 8:00 a.m. to allow the Replacement Customer to submit timely nominations for Gas to flow on the next Gas Day.

5.12 Nominations by Replacement Customer. Following its selection, and prior to the flow of Gas, the Replacement Customer shall be permitted to submit nominations pursuant to the terms and conditions of the applicable Rate Schedule and these General Terms and Conditions. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 11 and

12 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 Customer's Notice.

5.13 Billing.

- (A) Pipeline will bill the Releasing Customer the amount it is obligated to pay Pipeline for (1) Reservation Charges, reservation surcharges, other fixed costs, and (2) Usage Charge(s), volumetric surcharges, overrun charges, imbalances and/or other volumetric costs attributable to any capacity retained by such Releasing Customer. Pipeline shall credit the invoice of the Releasing Customer an amount equal to the Reservation Charges, surcharges and/or other fixed costs attributable to capacity rights released by such Customer that Pipeline billed to the Replacement Customer, excluding any Reservation Charge Credit that such Replacement Customer may have received pursuant to Section 16 of these General Terms and Conditions (hereinafter called "Credit Back"); provided, however, Pipeline shall have the right to reverse such Credit Back and to charge applicable carrying charges calculated in accordance with Section 154.501(d) of the Commission's Regulations to the Releasing Customer in the event Pipeline is not paid such charges for the released capacity.
- (B) Replacement Customer shall be liable to Pipeline for all charges incurred by such Replacement Customer under the Addendum to the Capacity Release Umbrella Agreement, subject to the other terms of this Tariff.
- (C) Pipeline shall notify a Releasing Customer in accordance with the notification requirements set forth in Section 5.16 of these General Terms and Conditions in the event a Replacement Customer fails to pay part or all of the amount of any invoice for service provided when such amount is due in accordance with Section 20 of these General Terms and Conditions.
- (D) Pipeline shall be entitled to bill an agreed upon amount when Pipeline, at the request of Releasing Customer and upon reaching an agreement with Releasing Customer therefore, takes other action to market such Customer's released capacity beyond posting the information on the LINK® System and locates the Replacement Customer. Pipeline will not be compensated if it does not locate the Replacement Customer, such as where the Releasing Customer has a prearranged deal or where a Replacement Customer accepts a posted Releasing Customer's Notice without Pipeline actively marketing that released capacity.
- (E) The rate paid by a Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to

refund if the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release.

5.14 Rights and Obligations of the Parties.

(A) Rights and Obligations of Pipeline. Pipeline will be required pursuant to Section 2 of these General Terms and Conditions to provide the LINK® System for access by Customers, Replacement Customers or Prearranged Customers participating in this Section 5 and to otherwise comply with the provisions of this Section 5.

(B) Rights and Obligations of Releasing Customer.

(1) The Service Agreement of Releasing Customer will remain in full force and effect, with a portion of the proceeds attributable to any release credited to the existing Releasing Customer's invoice as provided in Section 5.13(A) of these General Terms and Conditions. Releasing Customer shall remain ultimately liable to Pipeline for all Reservation Charges and Reservation Surcharges under the terms of its Service Agreement with Pipeline. Under Negotiated Rate agreements, Releasing Customer is obligated to pay Pipeline the difference by which the Negotiated Rate exceeds the rate paid by Replacement Customer. Under Negotiated Rate agreements, Pipeline and Releasing Customer may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Pipeline's capacity release provisions. However, no new obligation or liability is created as a result of such releases of the rights and obligations under the Service Agreement.

(2) If Pipeline waives any credit requirements for a Prearranged Customer or a Replacement Customer, Pipeline shall limit the liability of the Customer to the extent of such credit waiver, unless Customer agrees to the waiver. To the extent Pipeline does not require continuing assurances of creditworthiness under Section 4 of these General Terms and Conditions for Prearranged Customers or Replacement Customers any less than it does its Customer, Customer continues to be liable.

(3) In the event there is a permanent release of Customer's capacity pursuant to Section 5.17 of these General Terms and Conditions, Pipeline will agree to discharge the Customer of liability, on a prospective basis, in whole or in part, provided that Replacement Customer meets the credit requirements set forth in Section 4 of these General Terms and Conditions.

- (4) Any Customer retaining the right of recall must provide notification via the LINK® System to Pipeline in accordance with the notice requirements set forth in Section 5.11 herein, provided such recall conforms to the recall terms of such Customer's Notice and such recall does not constitute a waiver or modification of Sections 11 and 12 of these General Terms and Conditions. Any Customer may exercise a right of recall, subject to the provisions herein, in the event a Replacement or Prearranged Customer fails to pay part or all of the amount of any bill for service provided when such amount is due in accordance with Section 20 of these General Terms and Conditions.

(C) Rights and Obligations of Replacement or Prearranged Customers.

- (1) The Replacement or Prearranged Customer must satisfy all of Pipeline's Tariff provisions governing Customer eligibility and must execute all required agreements and acknowledgements before it may contract for the released capacity.
- (2) Once the Replacement or Prearranged Customer is provided with an Addendum to its Capacity Release Umbrella Agreement reflecting the terms of the capacity release transaction, the Replacement or Prearranged Customer becomes an existing Customer like any other Customer and is subject to the applicable provisions of Pipeline's Tariff, including but not limited to Pipeline's billing and payment and operational provisions. In addition, the Replacement or Prearranged Customer as an existing Customer may also release its capacity pursuant to this Section 5, subject to the re-release rights specified by Releasing Customer pursuant to Section 5.2(C)(19) above.

5.15 Pipeline's Rights to Terminate Temporary Capacity Releases. In the event of a temporary release for which (i) Pipeline has given notice of termination of the Releasing Customer's Service Agreement because the Releasing Customer no longer satisfies Pipeline's credit requirements as outlined in Section 4 of these General Terms and Conditions, and (ii) the reservation charge specified in the effective Addendum to the Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay Pipeline (or, if Releasing Customer is paying a Negotiated Rate, the sum of all reservation-type and usage-type charges), then Pipeline shall be entitled to terminate the Addendum, upon thirty (30) days' written notice to the Replacement Customer, unless the Replacement Customer agrees prior to the end of said thirty (30) day notice period to pay for the remainder of the term of the Addendum one of the following: (i) the reservation

and usage charges at levels which the Releasing Customer was obligated to pay Pipeline, (ii) the applicable Maximum Recourse Rate, or (iii) such rate as mutually agreed to by Pipeline and Replacement Customer. Replacement Customer may elect to pay the lesser of the foregoing three options. If the subject release was a segmented release, Pipeline shall not be required to permit Replacement Customer to retain its geographic Segment of capacity, and may require Replacement Customer to pay for the full Transportation Path of the defaulting Releasing Customer at the lower of the rate the defaulting Releasing Customer paid or the applicable Maximum Recourse Rate. Pipeline's right to terminate the Addendum is subject to Pipeline providing written notice of termination to the Replacement Customer within sixty (60) days of the determination by Pipeline that the Releasing Customer no longer satisfies Pipeline's credit requirements. Termination of the Addendum shall not occur prior to termination of Releasing Customer's Service Agreement.

5.16 Notices to Releasing Customers. Pipeline shall provide the original Releasing Customer with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Pipeline to the Releasing Customer's Replacement Customer(s), of the following:

- (1) Notice to the Replacement Customer regarding the Replacement Customer's past due, deficiency, or default status pursuant to the Tariff;
- (2) Notice to the Replacement Customer regarding the Replacement Customer's suspension of service notice;
- (3) Notice to the Replacement Customer regarding the Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice to the Replacement Customer that the Replacement Customer(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to the Tariff.

5.17 Permanent Capacity Releases. To the extent that any Customer desires to release all or any part of its firm rights under a firm Rate Schedule on a permanent basis, the procedures specified in this Section 5 shall apply. In addition, the Replacement Customer that will acquire the capacity from Customer must provide the credit information as required by Section 4 of these General Terms and Conditions. For any permanent capacity release, the minimum bid acceptable to Pipeline shall be a bid for the remainder of the term of Customer's Service Agreement at the rate(s) Customer is obligated to pay Pipeline for the capacity to be permanently released. Pipeline 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 Customer's request to permanently release capacity is denied by Pipeline, Pipeline shall notify Customer via e-mail and shall include in the notification the reasons for such denial. With the exception of permitted assignments as set forth in Section 35 of these General Terms and Conditions, a

Service Agreement shall be executed as specified in Section 3.5 of these General Terms and Conditions by Replacement Customer and Pipeline following the completion of the permanent capacity release and the approval processes.

- 5.18 Capacity Request Notice. Any party desiring to acquire firm capacity pursuant to the capacity release mechanism set forth in this Section 5 must submit the following information to Pipeline via e-mail to link-help@spectraenergy.com:
- (A) Replacement Customer's name and contact information;
 - (B) the Maximum Daily Quantity desired for transportation service;
 - (C) the desired commencement date and term of the service;
 - (D) the desired Primary Point(s) of Receipt and Primary Point(s) of Delivery and the associated Maximum Daily Receipt Obligation and Maximum Daily Delivery Obligation for each point;
 - (E) the maximum rate(s) that Replacement Customer will pay for the service;
 - (F) whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and
 - (G) whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

Pipeline shall post such information on the LINK® System for a period of one month or until a transaction is effected, whichever is shorter.

5.19 Index-based Capacity Release Transactions.

- (A) For index-based capacity release transactions, Releasing Customer must specify which one of the following methods is acceptable for bidding on a given index-based Releasing Customer's Notice:
 - a percentage of formula,
 - a dollars and cents differential from the formula,
 - a dollars and cents differential from the Rate Floor, or
 - an approved methodology in the 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 Pipeline's maximum reservation rate, if applicable.

Releasing Customer may specify another method in the special terms and conditions; however, the Releasing Customer's Notice will be processed within the capacity release timeline specified in Section 5.4(B)(3) above.

- (B) For index-based capacity release transactions, Pipeline shall support a Rate Floor to be specified by Releasing Customer in Releasing Customer's Notice.
- (C) Unless otherwise specified in the 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 Pipeline'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 Pipeline's maximum reservation rate, as applicable, Pipeline'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 Pipeline's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, Pipeline's maximum reservation rate or the Rate Floor, respectively, shall apply.
- (E) Pipeline shall support two non-public price index references that are representative of Points of Receipt and Points of Delivery on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, Pipeline shall support all price indices it references in the Tariff. In addition, Pipeline shall evaluate those publicly available price index references requested by its Customers that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable Points of Receipt and Points of Delivery. Further:
 - (1) The identity of all supported price index references shall be posted on Pipeline'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 Customer holding capacity that can be released on Pipeline's system, Pipeline, in consultation with its Customers, 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. Pipeline shall not unreasonably withhold agreement to such proposed changes. Such review should occur no more frequently than annually.

- (3) Releasing Customers requesting the use of price index references not supported by Pipeline will be responsible for providing/maintaining adequate license(s)/subscription(s) for Pipeline for such additional price index reference(s) such that Pipeline 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 Pipeline as referenced above. These price index reference(s) will then be supported by Pipeline and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and their identity(ies) posted on Pipeline's Informational Postings Web Site.
 - (4) Regarding paragraphs (2) and (3) above, Pipeline reserves the right, in its own discretion, to review any license(s)/subscription(s) that would legally bind Pipeline and to evaluate the legal propriety of same as it pertains to Pipeline. Pipeline 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 Pipeline.
 - (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. Pipeline's support of any price index reference does not make it responsible for ensuring that Releasing Customer(s) or Replacement Customer(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 Customer and Pipeline, Releasing Customer shall provide Pipeline and Replacement Customer with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by Pipeline to Replacement Customer pursuant to the capacity release award. The results of Releasing Customer's calculations shall conform to the capacity release award and/or to Pipeline'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 5.19(I) below.

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

Upon notification to Pipeline by both Releasing Customer and Replacement Customer 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 20.8 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 Releasing Customer's Notice), 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 Pipeline's maximum reservation rate, as applicable.

- (H) For index-based capacity release transactions, Pipeline shall support the ability of Releasing Customer to specify in the Releasing Customer's Notice a non-biddable Rate Default. The Rate Default cannot be less than the Rate Floor, if any.
- (I) For volumetric index-based capacity release transactions, where Releasing Customer performs invoicing calculations pursuant to Section 5.19(F) above, Pipeline shall provide allocated quantities to Releasing Customer according to a mutually agreed upon timetable. Releasing Customer shall

have at least one Business Day to process the quantities prior to returning such invoicing information to Pipeline in a tabular format.

Pipeline shall provide the allocated quantities to Releasing Customer in a tabular file to be described by Pipeline. 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).

6. POINTS OF RECEIPT AND POINTS OF DELIVERY

6.1 Designation of Primary Firm Points. The Primary Point(s) of Receipt at which Pipeline shall receive Gas for transportation hereunder and the Primary Point(s) of Delivery to which Pipeline shall deliver Gas to Customer, or for Customer's account, shall be specified in the applicable exhibit to the Service Agreement between Pipeline and Customer. The Maximum Daily Receipt Obligation ("MDRO") at the Primary Point(s) of Receipt and the Maximum Daily Delivery Obligation ("MDDO") at the Primary Point(s) of Delivery shall be specified in the applicable exhibit to Customer's Service Agreement for the applicable period. Such exhibit may be superseded by a new exhibit to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed changes to a Primary Point(s) of Receipt or Primary Point(s) of Delivery if to do so would, in Pipeline's sole judgment, impair Pipeline's ability to satisfy existing firm obligations.

6.2 Limitations at Primary Points of Receipt and Primary Points of Delivery.

- (A) Customer's MDRO at any single Primary Point of Receipt and Customer's MDDO at any single Primary Point of Delivery shall not exceed the Maximum Daily Quantity ("MDQ") under the applicable Service Agreement.
- (B) The sum of the MDROs on any Day at the Primary Points of Receipt specified in an executed Service Agreement for the applicable period shall not exceed the MDQ under such Service Agreement, except as specified in Section 6.3 below.
- (C) The sum of the MDDOs on any Day at the Primary Points of Delivery specified in an executed Service Agreement for the applicable period shall equal the MDQ under such Service Agreement, except as specified in Section 6.3 below.

6.3 Flexibility at Primary Points of Receipt and Primary Points of Delivery.

- (A) The sum of the MDROs at all of Customer's Primary Points of Receipt for a given Service Agreement or the sum of the MDDOs at all of Customer's Primary Points of Delivery for a given Service Agreement, respectively, may exceed Customer's MDQ to the extent that:
 - (1) Customer requests and Pipeline agrees to specified MDDOs or MDROs, as applicable, under a Service Agreement, in connection with the construction or modification of facilities for which Pipeline has obtained the necessary certificate authorization; or

(2) additional firm capacity at a Point of Receipt or a Point of Delivery under a Service Agreement is available as a result of installation of facilities for which one or more Customers reimburses Pipeline pursuant to Section 28 of these General Terms and Conditions. Such MDROs or MDDOs, as applicable, are granted to the reimbursing Customers pro rata, based upon the respective levels of reimbursement by such Customers.

(B) A Customer may succeed, or may have succeeded, to a Service Agreement with the sum of the MDDOs or MDROs exceeding the MDQ as specified in Section 6.3(A) above, by any legal means in whole or in part, including through merger, purchase, consolidation, capacity release, a name change, or an assignment, which MDDOs or MDROs are specified in an executed Service Agreement.

6.4 Secondary Points of Receipt and Points of Delivery. In addition to the Primary Point(s) of Receipt and/or Primary Point(s) of Delivery available under Section 6.1 above, a Customer with a Service Agreement under any of Pipeline's firm Rate Schedules may schedule and tender/deliver any Quantity of Gas at (i) any Point(s) of Receipt on Pipeline's system that is within the Zone(s) containing Customer's Transportation Path or (ii) any Point(s) of Delivery on Pipeline's system that is within the Zone(s) containing Customer's Transportation Path, including in excess of the MDRO and/or MDDO (but capped at the original firm contract holder's total MDQ and subject to the overlap provisions set forth in Section 7.1 below. Such points are referred to as Secondary Points of Receipt and Secondary Points of Delivery. The nomination procedures and scheduling and curtailment priority of such receipts and deliveries shall be as set forth in Sections 11, 12 and 13 of these General Terms and Conditions.

6.5 Kensington Receipt Point Area. Nominations utilizing Secondary Points of Receipt located within the Kensington Receipt Point Area by a firm Customer with Primary Point(s) of Receipt within the Kensington Receipt Point Area will be treated, for scheduling purposes, as nominations from Secondary Points of Receipt within Customer's Transportation Path up to the lower of (i) the sum of the Maximum Daily Receipt Obligation stated in Customer's FT-1 or LFT-1 Service Agreement, as applicable, at Customer's Primary Point(s) of Receipt located within the Kensington Receipt Point Area and (ii) the MDQ stated in Customer's FT-1 or LFT-1 Service Agreement, as applicable.

6.6 Delivery Points Located West of Milford on the Vector U.S. Facilities. A Customer with (i) an executed Service Agreement under Rate Schedule FT-1 or LFT-1, where such Service Agreement has a Transportation Path within Market Zone 2, or (ii) an executed Service Agreement under Rate Schedule IT-1, shall be permitted to submit nominations utilizing Points of Delivery on the Vector U.S. Facilities that are within the West of Milford Path, as such term is defined in

Section 1 of these General Terms and Conditions. Such nominations submitted on Customer's FT-1 or LFT-1 Service Agreement, as applicable, will be treated as nominations to Secondary Points of Delivery outside of Customer's Transportation Path, and will be scheduled according to the priorities set forth in Section 12.2(A)(2)(c) or Section 12.2(B)(2)(b), as applicable, of these General Terms and Conditions. Any such nominations submitted on Customer's IT-1 Service Agreement will be scheduled according to the priorities set forth in Section 12.2(A)(3) or Section 12.2(B)(3), as applicable, of these General Terms and Conditions.

7. **SEGMENTATION OF CAPACITY**

7.1 **By Means of Nomination.**

(A) In addition to any other transportation rights under the applicable Rate Schedule and related Service Agreement, a Customer with a firm Service Agreement under Rate Schedule FT-1 or LFT-1 may request that Pipeline receive, transport and deliver to or for the account of such Customer on a segmented basis scheduled Quantities of Gas to or from (i) any point within Customer's Transportation Path, and (ii) any secondary points located outside of the Transportation Path, but within the Zone(s) comprising Customer's Transportation Path, of such Service Agreement for the Gas Day. The right to segment pursuant to this Section 7 is subject to the requirement that the aggregate Quantities of Gas received, transported or delivered under a Customer's Service Agreement, and, if such Service Agreement is the result of capacity release pursuant to Section 5 of these General Terms and Conditions, the aggregate Quantities of Gas received, transported or delivered by all other Customers utilizing capacity rights derived from the original firm Service Agreement, shall not exceed in the aggregate (based on all relevant Customer utilization) the contractual entitlements (including, without limitation, the MDQ, Zone Boundary Entry Quantity or Zone Boundary Quantity, as applicable) of the original firm Service Agreement in any Segment where the nominated transactions overlap. In addition, such segmented service shall not impair Pipeline's ability to render firm service and shall not adversely affect system operating conditions.

(B) **Overlapping Nominations.**

(1) For the purpose of determining whether any overlapping transactions pursuant to Section 7.1(A) above exceed in the aggregate (based on all relevant Customer utilization) the contractual entitlements of the original firm Service Agreement (including, without limitation, the MDQ, Zone Boundary Entry Quantity, or Zone Boundary Exit Quantity, as applicable), two transactions that involve movements of Gas that converge from different directions at the same Point of Delivery for the same Gas Day and time shall not be deemed to be an overlap at that Point of Delivery; provided, however, in no event shall Pipeline be obligated to deliver on a primary firm basis at that Point of Delivery a quantity in excess of the MDDO applicable to that Point of Delivery. For the purpose of determining whether any overlapping transactions in a Segment exceed in the aggregate (based on all relevant Customer utilization) the contractual entitlements of the original firm Service Agreement for that

Segment, two transactions that involve movements of Gas in the same or different directions across the same Segment for the same Gas Day and time shall be deemed to be an overlap on the Segment.

- (2) In the event that a Releasing Customer and/or its Replacement Customer(s) submit overlapping nominations which in sum exceed in any Segment, in the aggregate, the level of entitlement for which the Releasing Customer originally contracted, the relative priority of each nomination shall be determined first according to the scheduling procedures in Section 12 of these General Terms and Conditions, then by applying the overlap priorities provided in Releasing Customer's Notice pursuant to Section 5.2(C)(17) of these General Terms and Conditions. If the Releasing Customer fails to provide overlap priorities in its Releasing Customer's Notice, Pipeline shall allocate capacity to the overlapping nominations pro rata based on nominations.
- (C) All points identified on the applicable Master Location List are available to Customers. Any point at which Gas is received or to which Gas is delivered that is designated in Customer's Service Agreement as having an MDRO or MDDO, and the quantity being received or delivered is within the applicable contractual limits, shall be a Primary Point of Receipt or Primary Point of Delivery, as applicable, subject to the Zone Boundary Exit/Entry provisions set forth in Section 12.3 of these General Terms and Conditions. Otherwise, such point shall be regarded as a Secondary Point of Receipt or Secondary Point of Delivery, subject to the Zone Boundary Exit/Entry provisions set forth in Section 12.3 of these General Terms and Conditions. The priority of the deliveries from and to primary and secondary points for scheduling and curtailment shall be as set forth in Sections 12 and 13 of these General Terms and Conditions. As a general matter, Customers will have the right to utilize all Secondary Points of Receipt and Secondary Points of Delivery located within the Zone(s) containing Customer's Transportation Path so long as such use does not (i) impair Pipeline's ability to render firm service, (ii) adversely affect Customers' firm contractual rights, and/or (iii) adversely affect the safe and reliable operation of Pipeline's system.

7.2 By Means of Capacity Release.

- (A) Releasing Customers are permitted to segment firm capacity in their Transportation Path through the capacity release mechanism, subject to the requirement that the release (or multiple releases) does not increase the total contractual entitlements at any Segment or any point (including, without limitation, the MDQ, MDRO, MDDO, Zone Boundary Entry

Quantity or Zone Boundary Exit Quantity, as applicable) above the contractual entitlements of the original firm Service Agreement.

- (B) Unless the Point of Receipt or Point of Delivery at which Customer is submitting a nomination for service on any Gas Day is designated in Replacement Customer's Service Agreement as having an MDRO or an MDDO, as applicable, and the quantity requested to be received or delivered is within the applicable contractual limits, such point shall be a Secondary Point of Receipt or a Secondary Point of Delivery, subject to the Zone Boundary Exit/Entry provisions set forth in Section 12.3 of these General Terms and Conditions., as applicable. For the duration of the release, Replacement Customer may request a different Primary Point of Receipt and/or Primary Point of Delivery located within the Zone(s) containing Replacement Customer's Transportation Path, subject to Section 6 of these General Terms and Conditions. In such an event, the portion of the Transportation Path no longer covered by that Service Agreement is deemed to be unsubscribed capacity that may be sold by Pipeline for the term of the capacity release agreement. Upon termination of the capacity release agreement, all capacity covered by the original release, including the original Primary Point of Receipt and/or Primary Point of Delivery, shall revert to the Releasing Customer, and the capacity granted at any Primary Point(s) of Receipt and/or Primary Point(s) of Delivery during the term of the capacity release agreement shall revert to Pipeline as unsubscribed capacity.

8. QUALITY OF GAS

The provisions set forth in this Section 8 shall apply to all Gas received or delivered by Pipeline.

8.1 Natural or Artificial Gas. The Gas received or delivered by Pipeline hereunder shall be a combustible Gas consisting wholly of, or a mixture of:

- (A) Natural Gas of the quality and composition produced in its natural state except that the Pipeline may extract or permit the extraction of any of the constituents thereof except methane.
- (B) Gas generated by vaporization of Liquefied Natural Gas (LNG).
- (C) Manufactured, reformed, or mixed Gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil and gas fields with physical properties such that when the artificial pipeline Gas is commingled with Natural Gas, the two become indistinguishable.

8.2 Total Heating Value and Wobbe Number.

- (A) The Gas shall have a Total Heating Value of not less than 967 nor greater than 1110 Btu per Cubic Foot of dry Gas at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 psia. The Gas shall have a Wobbe Number of not less than 1314 nor greater than 1400 (calculated using Total Heating Value (THV)), dry, under standard conditions at 14.73 psia at 60 degrees Fahrenheit based on the following mathematical definition and in accordance with Section 10 of these General Terms and Conditions:

$$\text{THV} / \text{Sqrt SGas}$$

Where:

THV = Total Heating Value (Btu/standard Cubic Feet)

SGas = Specific Gravity

Sqrt = Square Root of

- (B) Both the Total Heating Value at any time, for purposes of determining compliance with Section 8.2(A) above, and the average Total Heating Value for any billing period shall be determined by gas chromatographic analysis using the most recent AGA standards or any revision thereof, or by other methods mutually agreed upon by Customer and Pipeline.

8.3 Composition.

- (A) Merchantability. The Gas shall be commercially free, under continuous Gas flow conditions, from objectionable odors, solid matter, dust, gums, and gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators or other appliances through which it flows.
- (B) Oxygen. The Gas shall not have an uncombined oxygen content in excess of one-tenth (0.1) of one percent (1%) by volume.
- (C) Non-Hydrocarbon Gas. The Gas shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen; it being understood, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume, and the total combined nitrogen and oxygen content shall not exceed two and three quarters percent (2.75%) by volume .
- (D) Liquids. 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, and receipts of Gas shall meet any applicable requirements established pursuant to Section 8.3(K) below.
- (E) Hydrogen Sulfide. The Gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one-hundred (100) Cubic Feet.
- (F) Total Sulphur. The Gas shall not contain more than five (5) grains of total sulphur per one-hundred (100) Cubic Feet.
- (G) Temperature. The Gas shall not have a temperature of more than one-hundred twenty degrees (120 degrees) Fahrenheit.
- (H) Water Vapor. The Gas shall not contain in excess of seven (7) pounds of water vapor per million Cubic Feet.
- (I) Non-Methane Hydrocarbons C2+. Pipeline shall accept delivery of Gas with a twelve percent (12.0%) ethanes and heavier hydrocarbons (C2+) by volume, provided that such Gas satisfies all other applicable provisions of the Tariff. This standard shall be referred to as Pipeline's C2+ Safe Harbor. While the C2+ Safe Harbor is in effect, Pipeline shall accept delivery of Gas with a C2+ level greater than 12%. If Pipeline accepts Gas with a C2+ level greater than 12%, the upper limit for the Total Heating Value and the Wobbe Number shall be waived.

- (J) Non-Methane Hydrocarbons C4+. The Gas shall not contain butanes and heavier hydrocarbons (C4+) of more than one and one half percent (1.5%) by volume.
- (K) Liquefiable Hydrocarbons. Pipeline shall accept delivery of Gas with a C6+ content equal to or less than 0.032 GPM, provided that such Gas satisfies all other applicable provisions of the Tariff. This standard shall be referred to as Pipeline's Liquefiable Hydrocarbons Safe Harbor, and the Liquefiable Hydrocarbons Safe Harbor correlates to a cricondentherm hydrocarbon dewpoint of approximately 15 degrees Fahrenheit. Absent a Liquefiable Hydrocarbon Problem, as defined in Section 1 of these General Terms and Conditions, Pipeline shall accept delivery of Gas with a C6+ content greater than 0.032 GPM, provided that such Gas satisfies all other applicable provisions of the Tariff.
- (L) Microbiological Agents. 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 Pipeline and Customer which is currently available or may become available at any time.

8.4 Pipeline shall have the right, after either written or electronic notice to Customer, to refuse to accept all or any portion of Gas tendered for Customer's account to Pipeline if: (i) such Gas shall fail at any time to conform to any of the specifications set forth in this Section 8 and such Gas is not subject to an effective exemption or waiver of the specifications that the Gas fails to meet or (ii) such Gas, in Pipeline's reasonable judgment, may cause harm to Pipeline's facilities. In the event Pipeline refuses to accept Gas tendered by Customer because such Gas does not conform to the specifications set forth herein, Customer shall not be relieved of its obligation to pay any Reservation Charge provided for in Customer's Service Agreement. If the Gas tendered by Pipeline for Customer's account shall fail at any time to conform to any of the specifications set forth in this Section 8, Customer shall notify Pipeline of such deficiency and may, at its option, refuse to accept delivery pending correction by Pipeline.

8.5 Waivers.

Notwithstanding the requirements set forth in this Section 8, Pipeline may grant a waiver to allow Customer to tender or cause to be tendered Gas which does not, when injected into Pipeline's facilities, meet the quality specifications set forth in

this Section 8; provided that acceptance of such Gas shall not adversely affect Pipeline'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 Point of Delivery on Pipeline's system shall be compliant with the quality specifications set forth in this Section 8. Pipeline shall post on the LINK® System any waiver granted pursuant to this Section 8.5(B). Pipeline shall implement this Section 8.5(B) on a non-discriminatory basis and may cancel any such waiver at any time if necessary to assure that the commingled Gas stream is compliant with the quality specifications set forth in this Section 8 at any Point of Delivery on Pipeline's system.

- 8.6 Pipeline and Customer may agree, or governmental authorities may require, that the Gas be odorized 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 8, 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 the Pipeline, unless otherwise mutually agreed by Customer and Pipeline, shall be for the purpose of detection of the Gas only during the time, prior to delivery to the Customer, when in possession of the Pipeline. Pipeline and Customer may agree from time to time, to allow Customer to deliver odorized Gas to Pipeline. Pipeline shall not be obligated to receive such odorized Gas from Customer when such receipt may, in Pipeline's sole discretion, be detrimental to Pipeline's system operations.

9. PRESSURE

- 9.1 All Gas tendered by or on behalf of Customer to Pipeline will be delivered at a Primary Point(s) of Receipt at a pressure sufficient to enter Pipeline's system up to Pipeline's Maximum Allowable Operating Pressure.
- 9.2 Unless otherwise agreed to, Pipeline will redeliver Gas at the Primary Point(s) of Delivery nominated by Customer at Pipeline's prevailing line pressure ("Minimum Delivery Pressure"). If Pipeline and Customer otherwise agree on the Minimum Delivery Pressure at a Primary Point(s) of Delivery, it will be set forth on Exhibit B to the Service Agreement.

10. **MEASUREMENT AND MEASUREMENT EQUIPMENT**

- 10.1 (A) Measurement equipment for receipt and delivery (meters) shall be constructed and installed, and whose computations of quantity are made in accordance with the provisions of API 14.3/AGA Report #3, AGA Report #7, AGA Report #8, AGA Report #9 and the latest revision thereof.
- (B) Meters shall be maintained and operated, and auxiliary measuring equipment shall be installed, maintained and operated, in accordance with generally accepted industry practices and Pipeline's Standard Operating Procedures (SOP).
- 10.2 (A) The volume of Gas delivered at each Point of Receipt and Point of Delivery shall be calculated by means of an electronic flow computer located at each Point of Receipt or each Point of Delivery, in the following manner:
- (1) The volume of gas shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association (AGA) and the API 21.1 latest edition for measurement by electronic from computer and in accordance with accepted industry practice.
- (2) The Gas shall have its volume, mass, gravity, composition or energy content, determined and calculated in accordance with applicable AGA standards including, but not limited to, ANSI/API 14.3.1&2/AGA Report No. 3, latest edition, AGA Report No. 5, latest edition, AGA Report No. 7, latest edition, AGA Report No. 8 for super compressibility, latest edition, AGA Report #9, latest edition, and any subsequent latest AGA Standard as well as API Chapter 21.1 latest edition for measurement by electronic flow computers.
- (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 on a dry basis 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 Point of Receipt and each Point of Delivery shall be assumed to be 14.4, irrespective of the actual location or elevation above sea level of the Point of Receipt or Point of Delivery or of variations in actual atmospheric pressure from time to time.
 - (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.
- 10.3 All flow measuring, testing and related equipment shall be of standard manufacture and type approved by Pipeline. If applicable, Pipeline or Customer 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. Pipeline, or Customer, 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. Pipeline or Customer 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 the operator at least once each year and if requested, in the presence of representatives of the other party, but neither Pipeline nor Customer 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 Customer 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. 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. All equipment shall, in any case, be adjusted at the time of test to record correctly.

- 10.4 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:
- (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.

Notwithstanding the foregoing, the correction period shall be within six (6) Months of the production Month, with a three (3) Month rebuttal period; provided, further, that 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. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

- 10.5 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.

- 10.6 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.
- 10.7 Customer or Pipeline may install, maintain, and operate odorizing (at a Point of Delivery only), regulating, telemetering, heating and fogging equipment at its own expense as it shall desire at each Point of Receipt or Point of Delivery, 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 Point of Receipt or Point of Delivery. All such equipment as Customer or Pipeline shall desire to install shall be constructed, installed and operated to conform to the other party's requirements.

11. NOMINATIONS

- 11.1 If Customer desires service on any Day under Pipeline's Rate Schedules, Customer shall give notice to Pipeline by submitting a nomination that specifies the Quantity of Gas Customer requests under each of Customer's Service Agreements for each Day of the Nomination Period. Such nomination shall be submitted to Pipeline via the LINK® System, unless another method of submittal has been mutually agreed upon by Customer and Pipeline. Such nomination shall specify Customer's Service Agreement number; the Quantity of Gas to be received, including Applicable Shrinkage and other fuel where applicable, at each Point of Receipt; the Quantity of Gas to be delivered at each Point of Delivery; and, for interruptible service for which Customer is paying less than the Maximum Recourse Rate, whether Customer elects to pay the applicable Maximum Recourse Rate in accordance with Sections 12.2(A)(3), 12.2(B)(3) and 13.2(C) of these General Terms and Conditions. All nominations shall include Customer-defined begin dates and end dates. All nominations excluding Intraday Nominations shall have roll-over options. Specifically, Customers shall have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of Customer's Service Agreement. All nominations, including Intraday Nominations, shall be based on a daily quantity; thus an intraday nominator need not submit an hourly nomination. Any imbalance correction quantities and any scheduled daily variations shall be identified by transaction type and nominated separately. Customer's nomination shall specify such additional information which may be needed for Pipeline to accept Commission approved or permitted standard data elements necessary to perform service. Overrun quantities shall be requested on a separate transaction.
- 11.2 All nominations shall be considered original nominations and must be replaced to be changed. When a nomination for a date range is received, each Day within that range is considered an original nomination. To the extent Customer desires to change its nomination for any Day(s) within the Nomination Period, Customer must submit a new nomination for such Day(s). When a subsequent nomination is received for one or more Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Days specified. The Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.
- 11.3 Timely Nominations.
- (A) Customer's nomination, to be deemed timely, must be provided via the LINK® System or Electronic Data Interchange, unless another form of submittal has been mutually agreed upon by Customer and Pipeline, in accordance with the following nomination timeline (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17) so that Pipeline may

efficiently schedule services and operate the system to provide all services under this Tariff:

The Timely Nomination Cycle

On the day prior to Gas flow:

- 1:00 p.m. Nominations leave control of the Customer;
- 1:15 p.m. Nominations are received by Pipeline (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Pipeline sends the Quick Response to Customer;
- 4:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 5:00 p.m. Customer and point operator receive scheduled quantities from Pipeline.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Gas Day.

- (B) The sending party shall adhere to the nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (C) Subsequent to the first Day of the Nomination Period, Customer may alter its nominations provided that the nomination given by Customer to Pipeline for deliveries on any Day shall be submitted to Pipeline no later than the time specified in the nomination timeline set forth in Section 11.3(A) above.

11.4 Intraday Nominations.

- (A) In the event Customer does not submit a timely nomination or desires to alter an existing nomination, Customer shall have the right to submit an Intraday Nomination to request increases or decreases in total flow, changes to Point(s) of Receipt, or changes to Point(s) of Delivery of scheduled Gas on a prospective basis prior to the end of the Gas Day; provided, however, that such Intraday Nomination will be scheduled after the nominations received before the nomination deadline. An Intraday Nomination may also be used to nominate new injections or withdrawals, or new supply or market. Such Intraday Nomination shall, subject to Sections 12.4 and 15 of these General Terms and Conditions, be implemented by Pipeline to the extent and only to the extent that Pipeline is able to confirm the receipt and delivery of such Gas at the Point(s) of Receipt and Point(s) of Delivery and only if the scheduling of such Intraday Nomination will not require the Systematic Rescheduling of Pipeline's capacity among previously scheduled Service Agreements in order to provide capacity for said Intraday Nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination.

The interconnected parties, or the third-party pipeline from which capacity was acquired pursuant to a transportation or a lease agreement between Pipeline and such third-party pipeline, as applicable, shall agree on the hourly flows of the Intraday Nomination.

- (B) An Intraday Nomination shall specify Customer's service requirements for one Gas Day only and shall include the effective date and time. An Intraday Nomination shall be based on a daily quantity; thus an intraday nominator need not submit an hourly nomination. If Customer revises Customer's nomination prior to the end of the Gas Day being scheduled, Customer shall submit an hourly schedule of takes for the remainder of the Gas Day, if requested by Pipeline. Pipeline shall not be obligated to deliver the Quantities of Gas attributable to a revision of Customer's nomination other than at a uniform hourly rate, or such greater hourly rate as may be acceptable to Pipeline. Intraday Nominations do not roll over (i.e. Intraday Nominations span one Day only). Intraday Nominations do not replace the remainder of a standing nomination.
- (C) If Customer submits an Intraday Nomination on the same Service Agreement which already has been scheduled to flow through a Posted Point of Restriction, such Intraday Nomination may be scheduled by Pipeline provided that the Intraday Nomination has a scheduling sequence priority that is being scheduled and allowed to flow on the same Gas Day as the Intraday Nomination pursuant to Section 12 of these General Terms and Conditions and provided further that the Intraday Nomination does not result in a net increase in the total volume scheduled on the Service Agreement through the Posted Point of Restriction on that Gas Day.
- (D) Once service is nominated and scheduled for any Gas Day under any interruptible Rate Schedule, such service can only be bumped as provided in Section 12.4(B) below.
- (E) Elapsed-prorated-scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Customer will not be permitted to modify an existing nomination for that Gas Day if the new quantity nominated is less than the Elapsed-prorated-scheduled Quantity ("EPSQ") applicable to such Intraday Nomination. In addition, the new quantity confirmed by an upstream and/or downstream interconnected party and the new quantity scheduled by Pipeline for such Intraday Nomination cannot be less than the EPSQ applicable to such Intraday Nomination.

11.5 Minimum NAESB WGQ Nomination Standards.

(A) In the event the more flexible nomination procedures set forth in Section 11.4 above are inapplicable for any reason, nominations shall be submitted and processed in accordance with the minimum standards set forth in this Section 11.5. For the purposes of this Section 11.5, Pipeline shall support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17)

(1) The Timely Nomination Cycle

On the day prior to Gas flow:

- 1:00 p.m. Nominations leave control of the Customer;
- 1:15 p.m. Nominations are received by Pipeline (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Pipeline sends the Quick Response to Customer;
- 4:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 5:00 p.m. Customer and point operator receive scheduled quantities from Pipeline.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Gas Day.

(2) The Evening Nomination Cycle

On the day prior to Gas flow:

- 6:00 p.m. Nominations leave control of the Customer;
- 6:15 p.m. Nominations are received by Pipeline (including from TTTSPs);
- 6:30 p.m. Pipeline sends the Quick Response to the Customer;
- 8:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 9:00 p.m. Pipeline provides scheduled quantities to the affected Customer and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations shall be effective at the start of the next Gas Day.

(3) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Customer;
- 10:15 a.m. Nominations are received by Pipeline (including from TTTSPs)
- 10:30 a.m. Pipeline sends the Quick Response to the Customer;
- 12:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 1:00 p.m. Pipeline provides scheduled quantities to the affected Customer and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations shall be effective at 2:00 p.m. on the current Gas Day.

(4) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Customer;
- 2:45 p.m. Nominations are received by Pipeline (including from TTTSPs);
- 3:00 p.m. Pipeline sends the Quick Response to the Customer;
- 5:00p.m. Pipeline receives completed confirmations from confirming parties;
- 5:30 p.m. Pipeline provides scheduled quantities to the affected Customer and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations shall be effective at 6:00 p.m. on the current Gas Day.

(5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Customer;
- 7:15 p.m. Nominations are received by Pipeline (including from Title Transfer Tracking Service Providers (TTTSPs));
- 7:30 p.m. Pipeline sends the Quick Response to Customer;
- 9:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 10:00 p.m. Pipeline provides scheduled quantities to the affected Customer and point operator.

Scheduled quantities resulting from Intraday 3 Nominations shall be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (B) For the purposes of Sections 11.5(A)(2), 11.5(A)(3), 11.5(A)(4) and 11.5(A)(5) above, the word “provides” shall mean, for transmittals

pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (C) The sending party shall adhere to the nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.

12. SCHEDULING OF NOMINATIONS

- 12.1 Pipeline shall have the right to restrict service, in whole or in part, on all or a portion of its system at any time when capacity or operating conditions so require, or it is necessary to make modifications, repairs or operating changes to its system. Pipeline shall provide Customer with notice of such restriction as is reasonable under the circumstances.
- 12.2 Based upon Customer's nominations, including rankings of individual Points of Receipt or Points of Delivery within a Service Agreement, in the event the entirety of Customer's nomination cannot be scheduled, and subject to the provisions of Section 12.4 of these General Terms and Conditions, Pipeline shall schedule receipts and deliveries of Gas in accordance with Section 12.2(A) or Section 12.2(B) below, as applicable.
- (A) Throughput Scheduling Priority. For each nomination cycle, Pipeline shall schedule Quantities of Gas to be transported on Pipeline's system as follows:
- (1) First, among Customers of Pipeline's firm Rate Schedules for Quantities of Gas requested to be scheduled by such Customers from Primary Points of Receipt to Primary Points of Delivery according to the Quantities of Gas nominated by such Customers, up to but not in excess of the applicable contractual entitlements of each Customer;
 - (2) Second, among Customers of Pipeline's firm Rate Schedules according to the Quantities of Gas requested to be scheduled by such Customers where such Customers' nomination does not meet the criteria of Section 12.2(A)(1) above, in the following sequence:
 - (a) among Quantities of Gas requested to be scheduled by such Customers from Secondary Points of Receipt within the Transportation Path to Primary Points of Delivery,
 - (b) among Quantities of Gas requested to be scheduled by such Customers from (i) Secondary Points of Receipt within the Transportation Path to Secondary Points of Delivery within the Transportation Path, and (ii) Primary Points of Receipt to Secondary Points of Delivery within the Transportation Path;
 - (c) among Quantities of Gas requested to be scheduled by such Customers within the Zone(s) containing Customer's Transportation Path (or on the applicable lateral) where

either the Secondary Point of Receipt, the Secondary Point of Delivery, or both are outside of the Transportation Path.

- (d) Within each sequence listed in Section 12.2(A)(2)(c), Quantities of Gas requested to flow through a Posted Point of Restriction within the Transportation Path shall have priority over Quantities of Gas requested to flow through a Posted Point of Restriction outside the Transportation Path.
- (3) Third, among Customers under Pipeline's interruptible Rate Schedules, excluding PAL, commencing with service to be charged at Pipeline's Maximum Recourse Rate then in effect on a pro rata basis according to Customer's nominated quantities; next in order shall be service to be charged at a rate that is less than Pipeline's Maximum Recourse Rate then in effect, in sequence based on rate paid highest to lowest beginning with the rate most proximate to the Maximum Recourse Rate, such determination to be based on the percentage of the applicable Maximum Recourse Rate being paid, and in the event of a tie, on a pro rata basis according to Customer's nominated quantities.

Customer may elect to pay the applicable Maximum Recourse Rate at the time Customer submits its nomination in accordance with Section 11.1 of these General Terms and Conditions. Customer making such election will be required to pay the applicable Maximum Recourse Rate in order to have its nomination accepted and scheduled by Pipeline to the extent interruptible capacity is available as determined by Pipeline. Such election shall be a one time election effective for the remainder of the Nomination Period.

For the purpose of this Section 12.2(A)(3), any Customer paying a rate above the Maximum Recourse Rate shall be deemed to be paying the Maximum Recourse Rate.

- (4) Fourth, among Customers according to the Quantities of Gas requested to be scheduled by such Customers as makeup Gas for the purpose of resolving imbalances, in the following sequence:
- (a) Make-up Gas for firm Service Agreements, scheduled pro rata on the basis of Customer nominations, if necessary;
 - (b) Make-up Gas for interruptible Service Agreements, scheduled pro rata on the basis of Customer nominations, if necessary, and

- (c) Make-up Gas for Operational Balancing Agreements, scheduled pro rata on the basis of OBA Party nominations, if necessary.
 - (5) Fifth, among Customers requesting Quantities of Gas to be scheduled for park and loan service under Rate Schedule PAL based on net present value, with the transaction yielding the highest net present value receiving priority over transactions yielding a lower net present value. Net present value shall be calculated on the basis of the present value of the daily PAL charge per Dth to Pipeline for the term of the transaction as specified in Exhibit A to the PAL Service Agreement. PAL transactions yielding the same net present value shall be scheduled pro rata based on scheduled quantities. In making the determination of net present value, Pipeline 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.
 - (6) For the purposes of determining whether Points of Receipt and Points of Delivery are located within the Transportation Path, Pipeline shall consider a movement of Gas from a Point of Receipt to a Point of Delivery which is counter to the direction of flow contemplated by the Primary Point(s) of Receipt and Primary Point(s) of Delivery specified in the Service Agreement as being outside of the Customer's Transportation Path. In addition, for any movement of Gas that traverses a Segment(s) in which the total nominated quantity for that Service Agreement exceeds the firm contractual entitlement, the nominated quantity that is in excess of the firm contractual entitlement shall be deemed to be outside of the Customer's Transportation Path for that portion of the nominated quantity that exceeds the firm contractual entitlement.
- (B) Point Scheduling Priority. For each nomination cycle, Pipeline shall schedule Quantities of Gas to be received from a Point(s) of Receipt or Quantities of Gas to be delivered at a Point(s) of Delivery as follows:
- (1) First, among Customers of Pipeline's firm Rate Schedules for Quantities of Gas requested to be received at Primary Points of Receipt or delivered to Primary Points of Delivery according to the Quantities of Gas nominated by such Customers, up to but not in excess of the MDRO or MDDO, as applicable, and where the nominated direction of flow is in the direction of flow contemplated by Customer's Transportation Path;

- (2) Second, among Customers of Pipeline's firm Rate Schedules according to the Quantities of Gas requested to be scheduled by such Customers where such Customers' nomination does not meet the criteria of Section 12.2(B)(1) above, as applicable:
 - (a) prorated among Quantities of Gas requested to be received from Points of Receipt, in the following sequence:
 - (i) nominations with a receipt at a Secondary Point of Receipt (including nominations at Primary Points of Receipt in excess of MDRO) that are within Customer's Segment entitlement at the point,
 - (ii) nominations with a receipt at a Secondary Point of Receipt (including nominations at Primary Points of Receipt in excess of MDRO) that are in excess of Customer's Segment entitlement at the point, or
 - (b) prorated among Quantities of Gas requested to be delivered to Points of Delivery, in the following sequence:
 - (i) nominations with a delivery at a Secondary Point of Delivery (including nominations at Primary Points of Delivery in excess of MDDO) that are within Customer's Segment entitlement at the point,
 - (ii) nominations with a delivery at a Secondary Point of Delivery within the Transportation Path (including nominations at Primary Points of Delivery in excess of MDDO) that are in excess of Customer's Segment entitlement at the point.
- (3) Third, among Customers under Pipeline's interruptible Rate Schedules, excluding PAL, commencing with service to be charged at Pipeline's Maximum Recourse Rate then in effect on a pro rata basis according to Customer's nominated quantities; next in order shall be service to be charged at a rate that is less than Pipeline's Maximum Recourse Rate then in effect, in sequence based on rate paid highest to lowest beginning with the rate most proximate to the Maximum Recourse Rate, such determination to be based on the percentage of the applicable Maximum Recourse Rate being paid, and in the event of a tie, on a pro rata basis according to Customer's nominated quantities.

Customer may elect to pay the applicable Maximum Recourse Rate at the time Customer submits its nomination in accordance with Section 11.1 of these General Terms and Conditions. Customer making such election will be required to pay the applicable Maximum Recourse Rate in order to have its nomination accepted and scheduled by Pipeline to the extent interruptible capacity is available as determined by Pipeline. Such election shall be a one time election effective for the remainder of the Nomination Period.

For the purpose of this Section 12.2(B)(3), any Customer paying a rate above the Maximum Recourse Rate, shall be deemed to be paying the Maximum Recourse Rate.

- (4) Fourth, among Customers according to the Quantities of Gas requested to be scheduled by such Customers as makeup Gas for the purpose of resolving imbalances, in the following sequence:
 - (a) Make-up Gas for firm Service Agreements, scheduled pro rata on the basis of Customer nominations, if necessary;
 - (b) Make-up Gas for interruptible Service Agreements, scheduled pro rata on the basis of Customer nominations, if necessary, and
 - (c) Make-up Gas for Operational Balancing Agreements, scheduled pro rata on the basis of OBA Party nominations, if necessary.

- (5) Fifth, among Customers requesting Quantities of Gas to be scheduled for park and loan service under Rate Schedule PAL based on net present value, with the transaction yielding the highest net present value receiving priority over transactions yielding a lower net present value. Net present value shall be calculated on the basis of the present value of the daily PAL charge per Dth to Pipeline for the term of the transaction as specified in Exhibit A to the PAL Service Agreement. PAL transactions yielding the same net present value shall be scheduled pro rata based on scheduled quantities. In making the determination of net present value, Pipeline 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.

12.3 Zone Boundary Exit / Entry Quantity.

- (A) For any Service Agreement under Rate Schedules FT-1 and LFT-1, the relevant Zone Boundary Entry Quantity and Zone Boundary Exit Quantity

for each Zone shall be specified in an exhibit to the executed Service Agreement and in the LINK® System.

- (B) In the event the Zone Boundary Exit Quantity and the Zone Boundary Entry Quantity for adjacent Zones are not equal, Customer's right to cause Gas to cross the boundary between such Zones pursuant to a firm Service Agreement is limited to the lower of the Zone Boundary Exit Quantity or Zone Boundary Entry Quantity. Notwithstanding the previous sentence, a Customer with a firm Service Agreement that has firm rights in the Supply Zone may make deliveries to the Market Zone 1 TABS Point without regard to the Zone Boundary Exit Quantity and Zone Boundary Entry Quantity for the Zone Boundary between the Supply Zone and Market Zone 1 reflected on the applicable exhibit to such firm Service Agreement.
- (C) Pipeline shall permit in-line transfers between two Service Agreements at a Zone Boundary.
 - (1) In-line transfers may take place at the Zone Boundary between firm Service Agreements, interruptible Service Agreements, and any combination thereof.
 - (2) Where only one firm Service Agreement is participating in an in-line transfer transaction, the in-line transfer quantity shall be limited to the Zone Boundary Exit Quantity or Zone Boundary Entry Quantity, as applicable, of the firm Service Agreement. Where two firm Service Agreements are participating in an in-line transfer transaction, the in-line transfer quantity shall be limited to the lesser of (i) the applicable Zone Boundary Exit Quantity of the firm Service Agreement delivering Gas to the Zone Boundary or (ii) the applicable Zone Boundary Entry Quantity of the firm Service Agreement receiving Gas at the Zone Boundary.
 - (3) Receipts and deliveries made at a Zone Boundary on a firm Service Agreement will be treated as secondary receipts and secondary deliveries, unless the applicable exhibit(s) to such Service Agreement specifically identify an MDRO or MDDO, as applicable, for such location.
 - (4) In-line transfer quantities delivered at the exit of any Zone are deemed delivered within that Zone and the corresponding downstream receipt is deemed received in the adjacent Zone for rate calculation purposes.
 - (5) In-line transfers may be used to perform transfers of title at the Zone Boundary.

12.4 No Bump Policy.

- (A) Once service is nominated and scheduled for any Gas Day as secondary firm service, such service shall not be bumped by another Customer for the purpose of scheduling any other service, including primary firm service, for such Gas Day.
- (B) Once service is nominated and scheduled for any Gas Day under any interruptible Rate Schedule, such service can only be bumped by another Customer prior to the Intraday 3 Nomination Cycle for the purpose of scheduling a higher priority firm service for such Gas Day. As provided in Section 11.5(A)(5) above, bumping is not allowed during the Intraday 3 Nomination Cycle.
- (C) As provided in Rate Schedule PAL, existing Quantities of Gas parked or loaned cannot be bumped by new requests for park and/or loan service.
- (D) Any Customer bumped pursuant to this Section 12.4 will be notified via the LINK® System.

12.5 Notification of Scheduled Quantities. For timely nominations as defined in Sections 11.3(A) and 11.5(A)(1) of these General Terms and Conditions, Pipeline will make available scheduled quantities for receipt at Customer's and operator's designated site in accordance with the timeline set forth in Sections 11.3(A) and 11.5(A)(1), as applicable. Within four (4) hours of an Intraday Nomination, Pipeline will notify affected Customer(s) and point operator(s) of changes in scheduled quantities.

13. CURTAILMENT

- 13.1 Pipeline shall have the right to curtail, interrupt or discontinue service in whole or in part on all or a portion of its system from time to time and at any time (1) for reasons of Force Majeure, as defined in Section 15 of these General Terms and Conditions, or when necessary, in Pipeline's reasonable judgment, to meet its system operating requirements or other higher priority service obligations, or (2) to the extent, in Pipeline's reasonable judgment, interruptible service would impair Pipeline's ability to meet its firm service obligations, or to render any future service that may be provided by Pipeline on a firm basis. Pipeline will provide Customer reasonable notice of such curtailment or interruption orders and Customer shall be permitted three (3) hours, or such lesser time as is required to protect the integrity of Pipeline's system, to reduce its tenders or takes in compliance with the curtailment or interruption orders. If Customer adjusts its tenders or takes within such notice period, then no charge or penalty provided for in this Section 13 shall be assessed.
- 13.2 Curtailment Priority. In the event any services are curtailed or interrupted hereunder, Pipeline shall reduce scheduled service, to zero if necessary, in the following order:
- (A) First, Pipeline shall curtail scheduled service under Pipeline's Rate Schedule PAL based on net present value, with the transaction yielding the highest net present value receiving priority over transactions yielding a lower net present value. Net present value shall be calculated on the basis of the present value of the daily PAL charge per Dth to Pipeline for the term of the transaction as specified in Exhibit A to the PAL Service Agreement. PAL transactions yielding the same net present value shall be curtailed pro rata based on scheduled quantities. In making the determination of net present value, Pipeline 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 PAL transactions.
 - (B) Second, Pipeline shall curtail scheduled service for the resolution of imbalances in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the applicable Maximum Recourse Rate. Pipeline shall allocate capacity among Customers paying the same rate pro rata on the basis of scheduled quantities.
 - (C) Third, Pipeline shall curtail scheduled service to those Customers receiving interruptible service, excluding service under Pipeline's Rate Schedule PAL in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the applicable Maximum Recourse Rate; next in order shall

be service to be charged at a rate that is greater than the applicable Minimum Recourse Rate then in effect, in sequence beginning with the rate most proximate to the Minimum Recourse Rate, such determination to be based on the percentage of discount from the applicable Maximum Recourse Rate; followed by service to be charged at the applicable Maximum Recourse Rate then in effect. In addition, Customer may elect to pay the applicable Maximum Recourse Rate at the time Customer submits its nomination in accordance with Section 11.1 of these General Terms and Conditions. In the event Customer is receiving service at less than the Maximum Recourse Rate and Pipeline determines that interruption or curtailment of service is required, Customer making such election will be required to pay the applicable Maximum Recourse Rate in order to avoid interruption or curtailment of service to the extent that any interruptible capacity is available as determined by Pipeline. Such election shall be a one time election effective for the remainder of the Nomination Period, regardless of the duration of the interruption or curtailment. Pipeline shall allocate capacity among Customers paying the same rate pro rata on the basis of scheduled quantities.

- (D) Fourth, Pipeline shall curtail scheduled service to Customers receiving service under the firm Rate Schedules pro rata on the basis of scheduled quantities.

13.3 Voluntary Relinquishment of Capacity Rights. If any Customer wishes voluntarily to relinquish any rights to capacity to which such Customer would be entitled under the curtailment program, such Customer shall notify Pipeline sufficiently in advance of the quantities which are to be relinquished, and Pipeline shall take such relinquished quantities into account in determining the total amount to be curtailed.

13.4 Notice of Curtailment.

- (A) Notice by Pipeline. Pipeline shall provide Customer with notice of curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall in any event confirm in writing or by posting the notice on its Internet Web Site.
- (B) Notice by Customer. Customer shall have the responsibility to inform its end-users, suppliers, other transporters and all others involved in the transaction, as to any curtailment or interruption.
- (C) Notice in Emergency Situations. Pipeline shall provide notice to any Customer that is curtailed to a lower quantity as a result of a request submitted under the Emergency Situation relief provisions of Section 13.5 below. Such notice shall be provided in a time and manner that is

reasonable under then existing conditions but no later than within twenty-four (24) hours of such curtailment. In the event Customer requesting Emergency Situation relief provides the sworn statement required by Section 13.5, Pipeline shall provide a copy of the sworn statement at the request of any Customer curtailed to a lower quantity as a result of the anticipated sworn statement.

13.5 Emergency Situation.

- (A) In the event Pipeline is advised by a Customer that, absent adjustment of the curtailment level contemplated by this Section 13, Customer will be unable for the duration indicated by Customer to avoid irreparable injury to life or property (including environmental emergencies) or to provide for minimum plant protection ("Emergency Situation"), then Pipeline shall adjust its curtailment of all other Customers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the Emergency Situation. While Pipeline will make adjustments in curtailment promptly upon notification by Customer, Customer must provide Pipeline within twenty-four (24) hours of notification a sworn statement attesting:
- (1) to a detailed explanation of and an estimated duration for the Emergency Situation. Customer shall provide Pipeline immediate notice of the cessation of the Emergency Situation.
 - (2) that all sources of supply available to Customer, including peak-shaving and storage, were and are being utilized to the maximum extent possible during the time period for which the Emergency Situation is in effect;
 - (3) that all interruptible services of Customer were and are being interrupted or curtailed during the duration for which the Emergency Situation is in effect; and
 - (4) that no alternate fuel could be utilized or is available to be utilized to prevent the Emergency Situation.
- (B) Pipeline shall not be liable for granting exceptions to the curtailment provisions of this Section 13 for any Customer based upon a request submitted by any such Customer to Pipeline under the Emergency Situation relief provisions of this Section 13.5. In the event Customer does not provide the sworn statement as required by Section 13.5(A), then all quantities attributable to the adjustments made by Pipeline shall be billed to such Customer, in addition to all other charges, at a rate equal to three times the daily Gas Daily posting for the Day on which such

adjustments were made for the high "Common" price for the geographical region, as defined in Section 19.7(B) of these General Terms and Conditions, in which such quantities were delivered to Customer. All revenues attributable to such charge shall be credited, pro rata on the basis of the increase in curtailment caused by the invocation of Section 13.5, to those Customers curtailed to a lower quantity as a result of the anticipated sworn statement.

- (C) Notwithstanding any provision of Section 13.5(B), however, Customer shall not be entitled to relief under Section 13.5(B) to the extent that: (1) the Emergency Situation is due to the Customer's failure to have adequate transportation arrangements in effect for the delivery of Customer's Gas at the Primary Point(s) of Delivery in effect hereunder during the relevant period, or (2) the Quantity of Gas required to meet such Emergency Situation exceeds such Customer's firm contractual rights hereunder.
- (D) If Pipeline is requested to invoke Section 13.5(B), then such requesting Customer's bill for such Month shall be adjusted by the amount equal to the aggregate curtailment adjustment quantity requested by the Customer pursuant to Section 13.5(B) multiplied by the Reservation Charge Credit for the applicable Rate Schedule per Dth for the applicable Zone. All revenues attributable to such adjustment shall be credited, on a pro rata basis, based on each Customer's additional curtailment quantity due to the Emergency Situation, divided by the aggregate of all Customer's curtailment quantity due to the Emergency Situation to those Customers curtailed to a lower quantity as a result of the Emergency Situation.

13.6 Curtailment Compliance.

- (A) All quantities tendered to Pipeline and/or taken by Customer in violation of Pipeline's curtailment or interruption orders shall constitute unauthorized receipts or deliveries for which a curtailment penalty equal to three times the daily Gas Daily posting for the Day on which the violation occurred for the high "Common" price for the geographical region, as defined in Section 19.7(B) of these General Terms and Conditions, in which the deviation occurred, multiplied by the quantity by which the Customer or point operator deviated from the curtailment or interruption order, shall be assessed, in addition to any other applicable rate, charge or penalty.
- (B) Any penalty revenue collected by Pipeline pursuant to this Section 13.6 will be credited, net of costs, to each Customer that did not incur penalties pursuant to this Section 13.6 in the Month for which penalty revenues were received ("Non-Offending Customer"), based on the ratio of the actual Quantity of Gas taken during that Month by the Non-Offending

Customer to the actual Quantity of Gas taken during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending December 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month of March. Any penalty revenue credited to Non-Offending Customers pursuant to this section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

- 13.7 In the event that any upstream or downstream entity involved in handling Customer's Gas, refuses or is unable to receive from or deliver Gas to Pipeline, Pipeline shall have the right to curtail receipts or deliveries of Gas to Customer.

14. ACTION ALERTS AND OPERATIONAL FLOW ORDERS

- 14.1 Circumstances Warranting Issuance. Pipeline shall have the right to issue Action Alerts or Operational Flow Orders (OFOs), as specified in this Section 14, upon determination by Pipeline that action by a Customer(s) is required in order to (i) alleviate conditions that threaten to impair reliable firm service, (ii) maintain pipeline operations at the pressures required to provide efficient and reliable firm services, (iii) have adequate Gas supplies in the system to deliver on demand, (iv) maintain service to all firm Customers and for all firm services, (v) preserve the integrity of the pipeline system, (vi) maintain the system in balance for the foregoing purposes, and/or (vii) alleviate Pipeline's operational problems that relate to the quality of the Gas received into Pipeline's system, irrespective of whether this Gas meets the specifications in Section 8 of these General Terms and Conditions.
- 14.2 Actions to be Taken to Avoid Issuance. Pipeline shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an Action Alert or an OFO. Such actions shall include, in order of priority, (i) working with point operators to temporarily adjust, by mutual agreement, receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (ii) working with Customers and point operators to adjust, by mutual agreement, scheduled flows on Pipeline's system, (iii) issuing an Action Alert designed to mitigate the conditions, which if continued, would require the issuance of an OFO or (iv) taking any other reasonable action designed to mitigate the system problem. Prior to issuing an Action Alert or an OFO pursuant to this Section 14, all tariff remedies will be sought against those at fault for disruptions, and the provisions of Sections 12 and 13 of these General Terms and Conditions will be applied to all services in the affected area for the purpose of insuring that firm service rights and firm entitlements are not adversely affected by any lower priority service. After taking all such reasonable actions to avoid issuing an Action Alert or an OFO, Pipeline will have the right to issue Action Alerts or OFOs, if necessary, in the circumstances described in Section 14.1 above.
- 14.3 Preliminary Notification. Pipeline shall provide, via posting on the LINK® System and to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s), prior notice to all Customers of upcoming events, such as anticipated weather patterns and operational problems that may necessitate the issuance of an Action Alert or an OFO. In addition, Pipeline shall provide such notification via e-mail communication to those Customers that have provided e-mail address information for at least one contact person, and have requested via Pipeline's Internet Web Site, e-mail notification of critical notices issued by Pipeline. Such Action Alert or OFO will be posted on the LINK® System and the Internet Web Site. To the extent the Action Alert or OFO is applicable only to specific Customers, or in the event of a known failure of Internet notification, Pipeline will notify affected Customers by telephone or

telefacsimile. Notice of OFOs will be provided to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s).

14.4 Applicability of Action Alert or OFO. Pipeline shall make an Action Alert or OFO as localized as is reasonably practicable based on Pipeline's good faith and reasonable judgment concerning the situations requiring remediation such that an Action Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Action Alert or OFO or transporting Gas in the area of Pipeline's system in which there is an operational problem, and second to those Customers and point operators transporting Gas in the area of Pipeline's system where action is required to correct the problem necessitating the Action Alert or OFO. Pipeline will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation, as more fully set forth in Sections 14.5 and 14.6 below.

14.5 Issuance of Action Alerts. In the event that, in Pipeline's judgment, action is required to avoid a system integrity issue, Pipeline may issue Action Alerts.

- (A) Action Alerts will be noticed in accordance with the procedures set forth in Section 14.7 below, and Pipeline will endeavor to provide a minimum of four (4) hours notice.
- (B) Action Alerts can be issued to effect any of the following:
 - (1) restriction of interruptible services;
 - (2) restrictions of Gas flow at specific Point(s) of Receipt or Point(s) of Delivery covered by an Operational Balancing Agreement to the aggregate MDQ under the firm Service Agreements whose Primary Point(s) of Delivery, which are specified in the Service Agreement, are at the affected locations;
 - (3) 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
 - (4) any action required to maintain the integrity of Pipeline's system in order to avoid operational conditions that would require the issuance of an OFO.

14.6 Issuance of Operational Flow Orders.

- (A) In the event that, in Pipeline's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain pipeline operations at the pressures required to provide an efficient and reliable firm service, to have adequate Gas supplies in the system to deliver on demand (including injection of Gas into the mainline and providing line pack, and to maintain the system in balance for the

foregoing purposes, Pipeline may forego the action described in Section 14.5 above and immediately issue an OFO.

- (B) In the event that (i) Customer or point operator does not respond to an Action Alert, (ii) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (iii) there is insufficient time to carry out the procedures with respect to Action Alerts, Pipeline may issue an OFO or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of Pipeline's system (or any portion thereof). For the purposes of this Section 14.6, the operational integrity of Pipeline'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 as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

14.7 Notice of Action Alerts and OFOs.

- (A) Pipeline will issue all Action Alerts and OFOs via posting on the LINK® System, and notification to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s) or, in the event of a known failure of Internet notification, Pipeline will notify affected parties by telefacsimile. Pipeline will make any such posting as soon as reasonably practicable prior to the Action Alert or OFO becoming effective. In addition, Pipeline shall provide such notification via e-mail communication to those Customers that have provided e-mail address information for at least one contact person, and have requested via Pipeline's Internet Web Site, e-mail notification of critical notices issued by Pipeline.
- (B) The Action Alert or OFO will set forth (i) the time and date of issuance, (ii) the factors that caused the Action Alert or OFO to be issued, to the extent such factors are known, (iii) the actions that the Customer(s) is required to take, (iv) the time by which the Customer(s) must be in compliance with the Action Alert or OFO, (v) the anticipated duration of the Action Alert or OFO, and (vi) any other terms that Pipeline may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by this Section 14.7, such notice shall also include information about the status of operational variables that determine when an OFO or Action Alert will begin and end, and Pipeline shall post periodic updates of such information, promptly upon the occurrence of any material change in the information.

- 14.8 Information Updates. Pipeline will post periodic updates of the information about the status of operational variables that determine when an Action Alert or an OFO will begin and end, promptly upon occurrence of any material change in the information.
- 14.9 Cancellation of Action Alerts and OFOs. Pipeline shall lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem. After Pipeline has lifted the Action Alert or the OFO, Pipeline shall post a notice on its Internet Web Site specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known. Pipeline shall also provide notification to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s). In addition, Pipeline shall provide such notification via e-mail communication to those Customers that have provided e-mail address information for at least one contact person, and have requested via Pipeline's Internet Web Site, e-mail notification of critical notices issued by Pipeline. In the event of known failure of Internet notification, Pipeline will notify affected Customers by telefacsimile.
- 14.10 Action Alert and OFO Penalties.
- (A) All quantities tendered to Pipeline and/or taken by Customer under any Rate Schedule on a daily basis in violation of Pipeline's Action Alert or OFOs shall constitute unauthorized receipts or deliveries for which the applicable Action Alert or OFO penalty charge stated below shall be assessed.
- (1) An Action Alert penalty charge for each Dekatherm of Gas by which Customer or point operator deviated from the requirements of the Action Alert equal to an Action Alert Index Price (calculated as 110% of the daily Gas Daily posting for the Day on which the deviation occurred for the high "Common" price for the geographical region, as defined in Section 19.7(B) of these General Terms and Conditions, in which the deviation occurred) multiplied by the quantity by which the Customer or point operator deviated from the requirements of the Action Alert.
- (2) An OFO penalty charge for each Dekatherm of Gas by which Customer or point operator deviated from the requirements of the OFO equal to an OFO Index Price (calculated as 300% of the daily Gas Daily posting for the Day on which the deviation occurred for the high "Common" price for the geographical region, as defined in Section 19.7(B) of these General Terms and Conditions, in which the deviation occurred) multiplied by the quantity by which the Customer or point operator deviated from the requirements of the OFO.

- (B) Upon an Action Alert or OFO becoming effective as specified in the Action Alert or OFO, Customer, OBA Party or point operator shall be permitted three (3) hours, or such lesser time as is required to prevent the impairment of reliable service, to reduce its tenders or takes in compliance with the Action Alert or the OFO. If Customer adjusts its tenders or takes within such notice period based on operational data, then no charge, as provided for herein, shall be assessed.
- (C) Any Action Alert or OFO penalty revenue collected by Pipeline pursuant to this Section 14.10 shall be credited to those Customers that did not incur Action Alert or OFO penalties pursuant to this Section 14.10 in the Month for which Action Alert or OFO penalty revenues were received ("Non-Offending Customers"), based on the ratio of the actual Quantity of Gas taken during that Month by the Non-Offending Customer to the actual Quantity of Gas taken during that Month by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending December 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month of March. Any penalty revenue credited to Non-Offending Customers pursuant to this section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

14.11 Liability of Pipeline. Pipeline shall not be liable for any costs incurred by Customer in complying with an Action Alert or OFO. Pipeline shall not be responsible for any damages that result from any interruption in Customer's service that is a result of Customer's failure to comply promptly and fully with an Action Alert or OFO, and the non-complying Customer shall indemnify Pipeline against any claims of responsibility. However, Pipeline shall use reasonable efforts to minimize any such costs or damages.

14.12 Customers. As a point of clarification, any reference in this Section 14 to a Customer includes Pipeline's transportation Customers, TABS Parties and OBA Parties.

15. **FORCE MAJEURE**

- 15.1 **Relief from Liability.** Neither party shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, land subsidence, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, failure of third party transportation, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. For the sole purpose of calculating Reservation Charge Credits pursuant to Section 16 of these General Terms and Conditions, outages due to scheduled or routine maintenance shall not be considered Force Majeure events, as such term is defined in Section 15 of these General Terms and Conditions.
- 15.2 **Liabilities not Relieved.** Such causes or contingencies affecting performance by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of Gas theretofore delivered or as provided in the applicable Rate Schedule.
- 15.3 **Scheduling of Maintenance.** Pipeline 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 Pipeline's system as necessary to maintain the operational capability of Pipeline's system or to comply with applicable regulatory requirements, except that Pipeline shall not have the right to curtail service that Customer has nominated and Pipeline has scheduled in order to perform routine repair or maintenance. Pipeline shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Customers and shall provide reasonable notice of the same to Customers.

16. **RESERVATION CHARGE CREDIT**

16.1 Reservation Charge Credit for Non-Force Majeure Events.

- (A) Except as provided in Section 16.3 of these General Terms and Conditions, with respect to each Day on which there is an outage or other event that is not due to a Force Majeure event, as such term is defined in Section 15 of these General Terms and Conditions, that results in Pipeline failing to deliver on such Day the Quantity of Gas that Customer has nominated in accordance with Section 11 of these General Terms and Conditions and that qualifies for scheduling at the priority described in Section 12.2(A)(1) or Section 12.2(B)(1), as applicable, of these General Terms and Conditions, the Reservation Charge shall be decreased by an amount equal to the product of the Reservation Charge Credit applicable to the path nominated by Customer but not delivered by Pipeline (as set forth on the Statement of Rates for the applicable Rate Schedule in this Tariff, as such Statement of Rates may be revised, superseded or supplemented from time to time), subject to the provisions of Section 16.1(B) below for a Replacement Customer, multiplied by, as applicable:
- (1) If Pipeline has not given advance notice of the unavailability of service prior to the Timely Nomination Cycle for the Day, the lesser of:
- (a) the applicable Quantity of Gas that Pipeline has failed to deliver which qualified for scheduling at the priority described in Section 12.2(A)(1) or Section 12.2(B)(1), as applicable, of these General Terms and Conditions for Customer's account on such Day, or
 - (b) the applicable firm contractual entitlement under Customer's Service Agreement minus the Quantity of Gas delivered by Pipeline for Customer under such Service Agreement on such Day; or
- (2) If Pipeline gives seven (7) days or less advance notice of the unavailability of service prior to the Timely Nomination Cycle for the applicable Day, the lesser of:
- (a) the average daily quantity that qualified for scheduling at the priority described in Section 12.2(A)(1) or Section 12.2(B)(1), as applicable, of these General Terms and Conditions and that was scheduled and confirmed for Customer's account at the applicable point(s) of restriction for the seven (7)-Day period immediately preceding the Day on which the outage or other event that results in Pipeline failing to deliver a Quantity of Gas to the Customer first occurred minus the Quantity of Gas

- delivered by Pipeline for Customer's account on such Day, provided, however, if the applicable firm contractual entitlements under Customer's Service Agreement at such points of restriction were zero during any of the Days in the preceding seven (7)-Day period, such Days with zero firm contractual entitlements will be excluded for the purposes of calculating this average daily quantity, or
- (b) the applicable firm contractual entitlement under Customer's Service Agreement minus the Quantity of Gas delivered by Pipeline for Customer under such Service Agreement on such Day; or
- (3) If Pipeline gives more than seven (7) Days' advance notice of the unavailability of service, the lesser of:
- (a) the average daily quantity that qualified for scheduling at the priority described in Section 12.2(A)(1) or Section 12.2(B)(1), as applicable, of these General Terms and Conditions and that was scheduled and confirmed for Customer's account at the applicable point(s) of restriction in the previous calendar year for the same calendar days as the outage or other event that results in Pipeline failing to deliver a Quantity of Gas to the Customer; such average daily quantity to be adjusted up or down pro rata based on any increase or decrease in the Customer's firm contractual entitlements at such point(s) of restriction during the twelve month-period ending on the last Day of such outage or other event, minus the Quantity of Gas delivered by Pipeline for Customer's account on such Day, or
 - (b) the applicable firm contractual entitlement under Customer's Service Agreement minus the Quantity of Gas delivered by Pipeline for Customer under such Service Agreement on such Day. In the event that the applicable firm contractual entitlements under Customer's Service Agreement at such point(s) of restriction were zero during the relevant Days of the previous calendar year, this Section 16.1(A)(3) shall not apply and the calculation described in Section 16.1(A)(2) above shall be utilized for such Service Agreement.
- (B) Such Reservation Charge Credit shall be discounted in the case of a Service Agreement containing a discounted Reservation Charge Rate in the same proportion such Reservation Charge Rate is discounted from the maximum Reservation Charge Rate, and, with respect to a Service Agreement containing a negotiated Reservation Charge Rate, the Reservation Charge Credit shall be the daily equivalent of the negotiated

Reservation Charge Rate. In connection with a Service Agreement containing a discounted rate or a Negotiated Rate, Pipeline and Customer may agree, in a not unduly discriminatory manner, to a different Reservation Charge Adjustment crediting methodology.

In order to calculate the Reservation Charge Credit for a Customer who is a Replacement Customer pursuant to Section 5 of these General Terms and Conditions, Pipeline shall multiply the volumes determined in accordance with this Section 16.1 by the lesser of the daily reservation rate applicable to the Replacement Customer and the daily reservation rate applicable to the original Releasing Customer. The credit provided to a Releasing Customer pursuant to Section 5.13(A) of these General Terms and Conditions for a Month shall be unaffected by any Reservation Charge Credit provided to such Releasing Customer's Replacement Customer(s) pursuant to this Section 16 for such Month.

- (C) Notwithstanding the foregoing, with respect to a particular outage or event, this Section 16.1 does not apply on Days when Section 16.2 of these General Terms and Conditions applies or, for any Customer(s) receiving service pursuant to Rate Schedule LFT-1, for a Day(s) which Pipeline declared to be a Limited Day pursuant to Section 2.3(A) of Rate Schedule LFT-1.

16.2 Reservation Charge Credit for Force Majeure Events and Certain Orders Issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA")

Except as provided in Section 16.3 of these General Terms and Conditions, with respect to each Day on which there is an outage or other event due to a Force Majeure event, as defined in Section 15 of these General Terms and Conditions, or due to compliance with a PHMSA order issued pursuant to Section 60139(c) of Chapter 601 of Title 49 of the United States Code prior to [date to be determined as two years after the effective date of this Section 16.2, unless PHMSA regulations have been issued before the effective date of this Section 16.2], that results in Pipeline failing to deliver on such Day the Quantity of Gas that Customer has nominated in accordance with Section 11 of these General Terms and Conditions and that qualifies for scheduling at the priority described in Section 12.2(A)(1) or Section 12.2(B)(1), as applicable, of these General Terms and Conditions, Pipeline shall not be obligated to reduce Customer's Reservation Charge for the first ten (10) Days of such outage or other event, and following such ten (10)-Day period, Customer's Reservation Charge shall be decreased pursuant to the mechanism described in Section 16.1 of these General Terms and Conditions; provided, however, to the extent that the number of Limited Days previously declared by Pipeline pursuant to Section 2.3(A) of Rate Schedule LFT-1 for the Month to which the provisions of this Section 16.2 would be applicable is less than the maximum number of Limited Days specified in Customer's LFT-1

Service Agreement, the calculation of the reduction to Customer's Reservation Charge will not be applicable until the maximum number of Limited Days has been declared for Customer's LFT-1 Service Agreement. Pipeline's notice to Customers for outages related to Section 60139(c) of Chapter 601 of Title 49 of the United States Code shall specify the PHMSA order requiring such outage.

16.3 Exceptions to Reservation Charge Credit.

- (A) Notwithstanding any other provision in this Tariff, in no event shall Customer be entitled to a decrease in its Reservation Charge for Pipeline's failure to deliver any Quantity of Gas as contemplated under this Section 16:
- (1) due to the conduct of Customer, including, without limitation, the refusal to accept delivery of any Quantity of Gas that Pipeline has made available for delivery or the violation by Customer of an Action Alert or an Operational Flow Order that is in effect during the outage or other event that results in Pipeline failing to deliver any Quantity of Gas to Customer; provided, however, if Customer's refusal to accept delivery is pursuant to Section 8.4 of these General Terms and Conditions, then Customer may be entitled to a decrease in its Reservation Charge notwithstanding this Section 16.3 if Customer refused to accept delivery at the applicable Primary Point(s) of Delivery on a Day that Customer had the right to refuse to accept delivery of Gas at such point pursuant to Section 8.4 of these General Terms and Conditions during the outage or other event that results in Pipeline failing to deliver any Quantity of Gas to the Customer;
 - (2) due to the violation by Customer of an Action Alert or an Operational Flow Order and such violation causes a Force Majeure event resulting in the outage;
 - (3) due to the conduct of the upstream operator of the facilities at the applicable Primary Point(s) of Receipt, including, without limitation, the refusal to deliver any Quantity of Gas into Pipeline that Pipeline was available to receive, as long as such conduct was outside the control of Pipeline;
 - (4) due to the conduct of the downstream operator of the facilities at the applicable Primary Point(s) of Delivery, including, without limitation, the refusal to receive any Quantity of Gas from Pipeline that Pipeline has made available for delivery, as long as such conduct was outside the control of Pipeline;

- (5) due to the installation of new facilities that are designed, in whole or in part, to provide service to Customer;
- (6) due to scheduled work on Pipeline's facilities if Pipeline and Customer have mutually coordinated the timing of the scheduled work and the work is performed in accordance with that schedule;
- (7) that occurs at a time when Customer was unable to take the scheduled quantities for any reason including, without limitation, a Customer outage, whether planned or unplanned;
- (8) that was allocated or scheduled during any subsequent nomination cycle to or from a secondary location after the Timely Cycle restrictions;
- (9) if Customer subsequently schedules and accepts at an alternative Point of Delivery the Quantity of Gas that Pipeline was unable to deliver; or
- (10) if Customer is provided service pursuant to a Discount Confirmation or a Negotiated Rate agreement and such agreement does not explicitly require a Reservation Charge Credit.

17. **DETERMINATION OF RECEIPTS AND DELIVERIES**

17.1 In the event that Gas is scheduled for any Day to be received or delivered by Pipeline in a commingled stream at Point(s) of Receipt or Point(s) of Delivery other than those covered by an Operational Balancing Agreement on Pipeline's system for the account of one or more Customers, Pipeline shall allocate quantities received or delivered based on (a) predetermined allocation methodologies ("PDA") as set forth in Section 17.2 below, or (b) in the event that a PDA is not provided, on a pro rata basis as set forth in Section 17.3 below.

17.2 Pre-Determined Allocation Methodologies.

- (A) A PDA is an instruction from the participants in the scheduling process that is submitted to instruct Pipeline as to the manner in which Quantities of Gas are to be allocated among the various participants in the scheduling process after the Gas has flowed. Pipeline will permit upstream and downstream operators, and all owners of Gas that submit a nomination or confirmation, to submit a PDA for each Day. PDAs must be submitted during or after confirmation and prior to the start of the Gas Day to which the PDA will be applicable. Any PDA submitted shall be effective for the term specified in such PDA, provided that such term may not cover a period of less than one Day or longer than the Nomination Period. There is no need to submit a PDA for a location if there is an OBA in effect for that location.
- (B) Pipeline will support the following allocation methodology types at all Points of Receipt and Points of Delivery: ranked, pro rata, percentage, swing, and operator provided value. Pipeline will accept the PDA if it is operationally and administratively feasible. Only one PDA shall be applied per allocation period. The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, or if no PDA is submitted, pro rata based upon confirmed nominations shall be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the PDA. If the PDA is rank, swing, operator provided value or percentage, a new PDA may be required if the nominations change affects an existing PDA. In the event that Customer has scheduled Gas under multiple Service Agreements at a Point of Receipt or a Point of Delivery, Pipeline will accept from such Customer a PDA that provides instructions for the allocation of Quantities of Gas among Customer's scheduled quantities at such Point of Receipt or Point of Delivery.
- (C) Changes to the daily allocation methodology may be made. Such changes must be submitted and confirmed in advance of the effective date and shall

be effective prospectively. No retroactive reallocation of any transaction shall be permitted, unless agreed to by Pipeline and all affected parties.

- 17.3 In the event that a PDA is not provided in accordance with Section 17.2 above for any given Point of Receipt or Point of Delivery, or if a PDA is provided but is not in full compliance with the requirements of Section 17.2 above, Pipeline shall allocate the actual quantities received at such Point of Receipt or delivered at such Point of Delivery among the Customer's scheduled quantities not subject to a PDA based upon the ratio that each scheduled quantity not subject to a PDA bears to the total scheduled quantities not subject to a PDA.
- 17.4 Pipeline will report daily operational allocations within one Business Day after the end of the Gas Day on which the Gas flowed. If the best available data for reporting daily operational allocations is the scheduled quantity, Pipeline will use the scheduled quantity for the daily operational allocation. Customer may rely on Pipeline's daily operational allocation for adjusting nominations to avoid imbalances.
- 17.5 Pipeline will calculate and report allocated quantities, and provide allocation statements. Allocations will be provided by party, Service Agreement and location. Allocations at Point(s) of Delivery will be performed at the lowest level of detail provided by nominations and PDAs. Pipeline will strive to provide the most accurate and timely data available. To the extent possible, Pipeline will base prior period adjustments on actual measurement data and finalized allocations.
- 17.6 Any PDA submitted in accordance with the provisions set forth in this Section 17 shall be binding as to Pipeline and as to each and every entity to whom Gas is allocated at the Point(s) of Receipt and Point(s) of Delivery. Pipeline shall not be liable to any Customer or third party as a result of Pipeline's reliance on any PDA received in accordance with the provisions set forth in this Section 17.

18. OPERATIONAL BALANCING AGREEMENTS ("OBA")

- 18.1 Any imbalances arising under any Service Agreement between Customer and Pipeline that are attributable to variances (1) between actual receipts of Gas and scheduled and confirmed receipts of Gas at Point(s) of Receipt into Pipeline's system, or (2) between actual deliveries of Gas and scheduled and confirmed deliveries of Gas at Point(s) of Delivery from Pipeline's system, which Point(s) of Receipt and/or Point(s) of Delivery are subject to Operational Balancing Agreements, as more fully described in Section 18.2 below, on the Day or Days such variances arise, will be resolved by Pipeline and OBA Party pursuant to the terms of the applicable Operational Balancing Agreement and Customer shall not be subject to any imbalance charges or penalties pursuant to its Service Agreements with Pipeline for such imbalances.
- 18.2 For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of Gas to and from Pipeline's facilities, Pipeline is willing to negotiate and execute an Operational Balancing Agreement ("OBA") with an OBA Party. Such OBA shall specify the custody transfer procedures to be followed by Pipeline and OBA Party for the confirmation of scheduled quantities to be received by Pipeline at Point(s) of Receipt and delivered by Pipeline at Point(s) of Delivery. Such OBA will provide that any variance between actual quantities and scheduled and confirmed quantities at the point at which the OBA is in effect for any Day shall be cashed-out or resolved in-kind promptly pursuant to the terms of the OBA. The OBA will further provide that such variances are the responsibility of the OBA Party. To facilitate such determination of variances on a timely basis, Pipeline and the OBA Party will agree in the OBA on necessary measurement and accounting procedures.
- 18.3 Pipeline shall post on the LINK® System a list of those Point(s) of Receipt and Point(s) of Delivery at which an OBA is in effect. Pipeline will also provide to any party upon request a copy of any executed OBA.
- 18.4 It is Pipeline's intent to negotiate and execute OBAs on a non-discriminatory basis. At a minimum, Pipeline shall enter into OBAs at all pipeline-to-pipeline (interstate and intrastate) interconnects. However, except as required under Section 284.12(b)(2)(i) of the Commission's regulations, Pipeline shall have no obligation to negotiate and execute OBAs with any party that:
- (A) is not creditworthy as determined pursuant to Section 4 of these General Terms and Conditions; for purposes of such provision, references to Customer shall refer to the OBA Party;
 - (B) does not maintain dispatching operation which is staffed on a continuous, around-the-clock basis on every day of the year;

- (C) would cause the level of regulation to which Pipeline is subject 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.

18.5 Nothing in this Section 18 nor any executed OBA shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any Service Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance of service to higher priority Customers and/or services.

19. IMBALANCE RESOLUTION PROCEDURES

19.1 It is Cash-out Party's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under all of Cash-out Party's Service Agreements; to maintain each Day as nearly as practicable equality between quantities actually taken under each Service Agreement and scheduled quantities under each Service Agreement; and to maintain a concurrent balance between Quantities of Gas received by Pipeline at the Point(s) of Receipt, adjusted for Applicable Shrinkage, and Quantities of Gas delivered by Pipeline to the Point(s) of Delivery under each of Cash-out Party's Service Agreements for the Month. If Customer does not maintain an equal balance between Quantities of Gas received at the Point(s) of Receipt, adjusted for Applicable Shrinkage, and Quantities of Gas delivered at the Point(s) of Delivery, the resulting imbalance will be handled in accordance with the provisions of this Section 19 to eliminate imbalances accumulated during the Month (referred to in this Section 19 as a "Monthly Imbalance").

19.2 Monthly Imbalances.

(A) Service Agreements. A Monthly Imbalance for a Service Agreement (which does not include an OBA) shall be the difference between actual Quantities of Gas received at the Point(s) of Receipt less Applicable Shrinkage, and actual Quantities of Gas delivered at the Point(s) of Delivery during the Month under the Service Agreement. To the extent Customer is utilizing service provided at a meter that is covered by an OBA, Customer's confirmed nomination quantities at that meter will be used as the actual quantity for purposes of calculating the imbalance level in accordance with Section 19.7(C) below.

(B) Operational Balancing Agreements. The Monthly Imbalance for a Cash-out OBA Party shall be based on the difference between total actual Quantities of Gas received or delivered through the affected meter and the total aggregated confirmed nomination quantities for that meter, which shall be used as the actual Quantities of Gas received or delivered for purposes of calculating the imbalance level in accordance with Section 19.7(C) below.

19.3 Resolution of Monthly Imbalances. During the Month, Cash-out Party may use any or all Imbalance Management Services, as defined in Section 1 of these General Terms and Conditions, to reduce or eliminate the cash-out exposure for a Monthly Imbalance. In addition, Cash-out Party may trade an imbalance with another Cash-out Party, in accordance with Section 19.5 below, until the close of the seventeenth Business Day after the end of the Month during which the imbalance occurred. Any imbalance(s) not resolved via any of the Imbalance

Management Services will be resolved via the cash-out mechanism set forth in Section 19.7 below.

19.4 Imbalance Management Services. The Imbalance Management Services offered by Pipeline are identified in Section 1 of these General Terms and Conditions. Details of each service are included in the Rate Schedule and Form of Service Agreement contained in this Tariff, or in this Section 19.

19.5 Imbalance Trading.

(A) Imbalances Eligible for Trading. Imbalance Trading is available for any imbalance that would otherwise be resolved pursuant to Sections 19.6 and 19.7 below. Pipeline shall allow Cash-out Parties to trade imbalances within the same Operational Impact Area, or between Operational Impact Areas, as defined in Section 1 of these General Terms and Conditions, if the two Cash-out Parties' imbalances are offsetting balances for the Month, such that the net imbalance for each Cash-out Party after the completion of the trade would be reduced to a quantity closer to zero.

(B) Transportation Charges/Credits on Traded Quantities. The Cash-out Party with an imbalance resulting from receipts from Cash-out Party in excess of deliveries by Pipeline will reimburse Pipeline for any difference in transportation revenues that may result from such trading. Any trades across Operational Impact Areas are subject to payment of the Zone transportation differential pursuant to an executed Service Agreement. A Cash-out OBA Party that trades an imbalance resulting from actual deliveries by Pipeline in excess of scheduled deliveries (due Pipeline) shall be assessed a transportation imbalance charge. A Cash-out OBA Party that trades an imbalance resulting from actual deliveries by Pipeline that are less than scheduled deliveries (due Cash-out OBA Party) shall be assessed a transportation imbalance credit. The transportation imbalance charge and transportation imbalance credit shall be calculated by multiplying the traded quantity by the actual weighted average Usage Charge owed on all Quantities of Gas delivered during the Month to that Cash-out OBA Party.

(C) Trading Procedures.

(1) Pipeline will provide the ability to post and trade imbalances at any time during the Gas flow Month, and until the close of the seventeenth Business Day after the end of the Month during which the imbalances occurred. To facilitate the trading process, Pipeline will, upon receipt of Cash-out Party's authorization, post a Cash-out Party's imbalance quantity on its Internet Web Site. An authorization to Post Imbalances (pursuant to NAESB WGQ

Standard No. 2.4.9) that is received by Pipeline by 11:45 a.m. will be effective by 8:00 a.m. the next Business Day. An Authorization to Post Imbalances will remain in effect until cancelled by the Cash-out Party. An imbalance that is previously authorized for posting will be posted as it becomes available, but no later than the ninth Business Day of the Month; however, Pipeline will not be required to post zero imbalances. The information posted will identify the Cash-out Party, the Operational Impact Area and the Gas flow Month applicable to the posted imbalance quantity. For purposes of determining the imbalance quantity that will be posted, all imbalances within an Operational Impact Area due Cash-out Party under all of Cash-out Party's Service Agreements and all imbalances in that Operational Impact Area due Pipeline under all of Cash-out Party's Service Agreements shall be summed together to yield a single net imbalance quantity for the Cash-out Party in that Operational Impact Area for the Month, unless otherwise agreed to pursuant to Section 19.6 below. Pipeline will provide to all Customers the ability to view, and upon request, download posted imbalance information.

- (2) Pipeline shall enable the imbalance trading process by providing the ability for:
 - (a) Customer to authorize the posting of imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) on the LINK® System;
 - (b) a party to view the posted imbalances (pursuant to NAESB WGQ Standard No. 2.4.10) on the LINK® System;
 - (c) the initiating trader to submit a request to Pipeline for an imbalance trade (pursuant to NAESB WGQ Standard No. 2.4.11) on the LINK® System;
 - (d) Pipeline, in response to the request for an imbalance trade, to provide any error/warning message(s), as necessary, which includes the name of the relevant data element, if appropriate, along with the corresponding message;
 - (e) the initiating trader to withdraw its request for an imbalance trade on the LINK® System;
 - (f) Pipeline to, optionally, request the confirming trader to confirm the request for an imbalance trade;
 - (g) the confirming trader to confirm the request for an imbalance trade on the LINK® System;
 - (h) Pipeline to provide the initiating trader and the confirming trader with the status of the requested imbalance trade no later than noon on the next Business Day, including, if applicable, an explanation when the trade quantity is not equal to the trade quantity requested;

- (i) Pipeline to effectuate the confirmed trade; and
 - (j) Pipeline to reflect the trade prior to or on the next monthly Customer Imbalance or cash-out.
 - (3) When trading imbalances, the quantity to be traded must be specified. An imbalance trade can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming trader and effectuated by Pipeline. Pipeline shall update the Cash-out Party's imbalance data to reflect any final trades of imbalance quantities no later than 9:00 a.m. CCT on the next Business Day after the trade is finalized.
- 19.6 Imbalance Netting. For purposes of determining the imbalance quantities that will be subject to resolution pursuant to Section 19.7 below, all Monthly Imbalances within an Operational Impact Area due Cash-out Party under all of Cash-out Party's Service Agreements and all imbalances in that same Operational Impact Area due Pipeline under all of Cash-out Party's Service Agreements shall be summed together to yield a single volume of net Monthly Imbalances for that Operational Impact Area for that Month unless otherwise requested in writing by Cash-out Party. Any Monthly Imbalances not resolved after Sections 19.4 and 19.5 above have been utilized will be subject to resolution in accordance with Section 19.7 below.
- 19.7 Cash-out Provision.
- (A) It is the responsibility of the Cash-out Party to eliminate any Monthly Imbalance not resolved in accordance with Section 4 of Rate Schedule TABS, and Sections 19.4, 19.5 and 19.6 herein with a final resolution of such Monthly Imbalances by cash settlement with Pipeline, unless otherwise mutually agreed. Prior to or with the monthly transportation invoice, Pipeline will render each Cash-out Party a statement detailing the unresolved Monthly Imbalances. In the second month after the imbalances occurred, a bill for the amount due Pipeline or a credit of the amount due Cash-out Party, as determined below, will be rendered with the monthly transportation invoice pursuant to Section 20.2 of these General Terms and Conditions. Rendered is defined as postmarked, time-stamped and delivered (made available) to the designated site.
 - (B) Determination of Index Price. The price to be used for purposes of resolving Monthly Imbalances ("Index Price") in each of the following Zones shall be determined by calculating the arithmetic average of Platts Gas Daily, "Daily Price Survey" postings for each of the High Common, Low Common and Midpoint prices for each Day of the applicable Month

and the first seven days of the subsequent Month for the following geographical regions:

- (1) Supply Zone: Texas Eastern, M-2 Receipts
- (2) Market Zone 1: Mich Con city-gate
- (3) Market Zone 2: Dawn, Ontario

In the event that any of the prices described in this Section 19.7(B) is no longer available or available, Pipeline will file to change this Tariff and may, at its discretion, select a representative price(s) for the interim period, subject to refund.

- (C) Imbalance Level. After the imbalance Netting process set forth in Section 19.6 above has been applied to a Cash-out Party's Monthly Imbalances, Pipeline shall calculate an operational imbalance percentage and an actual imbalance percentage for Cash-out Party's net Monthly Imbalance. The operational imbalance percentage shall be determined by dividing the operational imbalances by the scheduled receipt quantities and stating the result as a percentage. The actual imbalance percentage shall be determined by dividing the actual imbalances by the scheduled receipt quantities and stating the result as a percentage. The lesser of the operational imbalance percentage or the actual imbalance percentage shall be referred to in this Section 19 as the "Total Imbalance Level" and shall be used to calculate the amount owed to Pipeline or to Cash-out Party pursuant to Section 19.7(D) or Section 19.7(E), as applicable. Operational data and actual data will be accessible via the LINK® System or other mutually agreeable form of communication.
- (D) Imbalance Due Pipeline. In the event of a Monthly Imbalance created when actual deliveries exceed actual receipts as adjusted for Applicable Shrinkage, ("Imbalance Due Pipeline"), Pipeline will bill the Cash-out Party for such actual imbalance in accordance with the provisions of this subsection (D).
- (1) If a Cash-out Party's Total Imbalance Level for an Imbalance Due Pipeline is less than or equal to 5%, the monthly cash-out bill will be calculated as the monthly average Index Price multiplied by the total Imbalance Due Pipeline.
 - (2) If a Cash-out Party's Total Imbalance Level for an Imbalance Due Pipeline is greater than five (5) percent, the monthly cash-out charge will be based on the accumulated sum of the results of the formulas listed below such that and until the total Imbalance Due Pipeline is fully accounted for:

Imbalance Level	Imbalance Level Factor	Applicable Index Price by Zone
0% - =<5%	1.00	(High Common x quantity =<5%)
>5% - =<10%	1.10	(High Common x quantity >5%) + level above
>10% - =<15%	1.20	(High Common x quantity >10%) + levels above
>15% - =<20%	1.30	(High Common x quantity >15%) + levels above
>20% - =<25%	1.40	(High Common x quantity >20%) + levels above
>25%	1.50	(High Common x quantity >25%) + levels above

- (3) The amount due Pipeline for each Imbalance Level shall be determined by multiplying the corresponding Imbalance Level Factor for the Month by the average of the High Common prices as determined in Section 19.7(B) above for the applicable Zone times the quantity within each Imbalance Level. When the Total Imbalance Level is calculated based on the operational imbalance level, actual quantities in excess of that level will be multiplied by the Imbalance Level Factor corresponding to the Total Monthly Imbalance Percentage. The calculation of cash out charges applicable to an Imbalance Due Pipeline shall also include a transportation imbalance charge, which shall be calculated by multiplying the Imbalance Due Pipeline by the actual weighted average Usage Charge owed on all Quantities of Gas delivered during the Month to that Cash-out Party.
- (4) Imbalances resulting from capacity restrictions caused by Pipeline and Force Majeure, as such term is defined in Section 15 of these General Terms and Conditions, will be cashed-out at the Midpoint price for the applicable Zone as determined pursuant to Section 19.7(B) above. Such imbalance quantities will be excluded from the determination of the Imbalance Level pursuant to Section 19.7(C) above.
- (5) Cash-out Party shall pay Pipeline as provided herein and in accordance with Section 20 of these General Terms and Conditions. If payment is not received within ten (10) days of the date of the invoice, the provisions of Sections 20.5 and 20.7 will apply.
- (E) Imbalance Due Cash-out Party. In the event of a Monthly Imbalance created when actual deliveries are less than actual receipts as adjusted for Applicable Shrinkage ("Imbalance Due Cash-out Party"), Pipeline will purchase from the Cash-out Party such imbalance in accordance with the provisions of this subsection (E).

- (1) If a Cash-out Party's Total Imbalance Level for an Imbalance Due Cash-out Party is less than or equal to 5%, the monthly cash-out bill will be calculated as the monthly average Index Price multiplied by the total Imbalance Due Cash-out Party.
- (2) If a Cash-out Party's Total Imbalance Level for an Imbalance Due Cash-out Party is greater than five (5) percent, Pipeline shall pay Cash-Out Party based on the accumulated sum of the results of the formulas listed below such that and until the total Imbalance Due Cash-out Party is fully accounted for:

Imbalance Level	Imbalance Level Factor	Applicable Index Price by Zone
0% - =<5%	1.00	(Low Common x quantity =<5%)
>5% - =<10%	.90	(Low Common x quantity >5%) + level above
>10% - =<15%	.80	(Low Common x quantity >10%) + levels above
>15% - =<20%	.70	(Low Common x quantity >15%) + levels above
>20% - =<25%	.60	(Low Common x quantity >20%) + levels above
>25%	.50	(Low Common x quantity >25%) + levels above

- (3) The amount due Pipeline for each Imbalance Level shall be determined by multiplying the corresponding Imbalance Level Factor for the Month by the average of the Low Common prices as determined in Section 19.7(B) above for the applicable Zone times the quantity within each Imbalance Level. When the Total Imbalance Level is calculated based on the operational imbalance level, actual quantities in excess of that level will be multiplied by the Imbalance Level Factor corresponding to the Total Monthly Imbalance Percentage. The calculation of the amount to be paid to Cash-out Party for an Imbalance Due Cash-out Party shall also include a transportation imbalance credit, which shall be calculated by multiplying the excess quantities by the actual weighted average Usage Charge owed on all quantities of Gas delivered during the Month to that Cash-out Party. Pipeline shall have no responsibility for the distribution of funds beyond the initial distribution to the Cash-out Party.
- (F) If an imbalance is caused by a failure of Pipeline to meet its contractual pressures or if all of the Customer's Primary Point(s) of Delivery are on flow control and are controlled by the Pipeline, cash-out will be calculated utilizing the Midpoint price for the applicable Zone as determined in Section 19.7(B) above.

- (G) If a Monthly Imbalance or any portion of a Monthly Imbalance is a direct result of Customer's inability to reconcile during the Month due to issuance of Operational Flow Orders pursuant to Section 14 of these General Terms and Conditions, then Pipeline will extend the Customer's time for volumetric reconciliation to the end of the next calendar month. Any Monthly Imbalance remaining at the end of such extended period will be subject to the cash-out provisions of this Section 19.7.
- (H) Disposition of Cash-out Quantities. Pipeline, at its discretion, may dispose of the net excess quantities purchased pursuant to Section 19.7(E) herein in accordance with the procedures contained in Section 19.9 below.
- (I) Disposition of Cash-out Proceeds. Pipeline, at its discretion, may use proceeds received from cash-out of Imbalances Due Pipeline pursuant to Section 19.7(D) herein to purchase at any time and from time to time Quantities of Gas.
- (J) Disposition of Net Cash-out Proceeds. On a monthly basis Pipeline shall credit or debit, as appropriate, the Applicable Shrinkage Deferred Account as provided in Section 21.2(E)(1) of these General Terms and Conditions, the net proceeds from the operation of the imbalance resolution procedures contained in this Section 19.7.

19.8 Trespass Gas.

- (A) Posting of Trespass Gas. If Pipeline receives Trespass Gas during a Month, it shall post a notice of such fact on the LINK® System, including the location and quantity of such Trespass Gas, for a period of thirty (30) days after the end of the Month.
- (B) Claiming of Trespass Gas. The owner of the posted Trespass Gas ("Claimant") may claim such Gas by informing Pipeline in writing of such fact and by having the ownership verified by the operator of the facilities upstream of the Point of Receipt.
- (C) Impact of a Valid Claim. Upon receipt of a valid claim of ownership, Pipeline shall first give Claimant the opportunity to move the Gas off of Pipeline's system upon payment of the applicable transportation and PAL charges. Alternatively, 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 Trespass Gas multiplied by the Low Common price for the Zone in which the Trespass Gas was received by Pipeline, as determined pursuant to Section 19.7(B) of these General Terms and Conditions for the Month in which the Trespass Gas was received by Pipeline. If Claimant does not request such payment, the Gas becomes

subject prospectively to all cash-out provisions and any applicable scheduling penalties contained in this Tariff

- (D) Disposition of Trespass Gas. If no valid claim for the posted Trespass Gas is submitted during the thirty (30) day posting period, Pipeline shall be allowed to retain such Trespass Gas and title to the unclaimed Trespass Gas is vested in Pipeline. Pipeline shall retain the unclaimed Trespass Gas with no payment required from Pipeline to any party and without recourse from any party. At Pipeline's discretion, Pipeline has the option of either retaining the Gas for its own use or disposing of it in accordance with procedures contained in Section 19.9 below. If Pipeline desires to retain the Gas for its own use, it shall be valued, for accounting purposes, at zero cost.

- 19.9 Disposition of Excess Quantities. If Pipeline desires to auction at any time the net excess quantities purchased under Section 19.7 of these General Terms and Conditions, the quantities of unclaimed Trespass Gas retained under Section 19.8 of these General Terms and Conditions, the net quantities available to Pipeline as a result of over-realization of in-kind compensation pursuant to Section 21.2 of these General Terms and Conditions or the Quantity of Gas retained under Section 7.5 of Rate Schedule PAL, Pipeline shall post a notice of such auction on the LINK® System at least three (3) Business Days prior to the date on which bids will be accepted. Such notice shall specify the Quantity of Gas to be auctioned, the date on which the bids will be accepted, and the evaluation method that will be used to determine the highest bid. Pipeline shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the Business Day that bids are due. Prior to 4:00 p.m. CCT of the same day, Pipeline shall notify the Customer submitting the highest bid; provided, however, Pipeline reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing Service Agreement with Pipeline under which Customer shall nominate, transport and deliver all Gas by the end of the Month following the Month in which the Gas is purchased. Customer shall pay the applicable transportation charges for the period beginning when the bid was accepted at auction and ending when the Quantity of Gas is delivered. The transaction shall be subject to the imbalance resolution procedures set forth in this Section 19 and all other applicable terms and conditions contained in this Tariff prospectively from the date of Customer's purchase pursuant to this Section 19.9. All auction proceeds shall be handled in accordance with Section 21.2 of these General Terms and Conditions.

20. BILLING AND PAYMENT

- 20.1 Unit of Measurement. The unit of measurement for the purpose of billing shall be one (1) Dekatherm (Dth), consisting of one million (1,000,000) British Thermal Units. The number of Dekatherms delivered shall be determined by multiplying the number of Cubic Feet of Gas delivered, measured on the measurement basis established by Section 10 of these General Terms and Conditions, by the Total Heating Value of such Gas, in British Thermal Units per Cubic Foot, as defined in Section 1 of these General Terms and Conditions and by dividing the product by 1 million (1,000,000).
- 20.2 Monthly Invoice. Pipeline shall bill Customer on or before the tenth day of each month for services rendered hereunder during the preceding month according to the measurement, computations and charges provided in this Tariff. The invoice shall be delivered to Customer or its agent by posting Customer's final invoice on Pipeline's LINK® System and posting a general notice of the availability of the final invoices on the Informational Postings portion of Pipeline's Internet Web Site. Pipeline will provide an e-mail notification, if an e-mail address has been designated by Customer, contemporaneously with the posting of the final invoices on Pipeline's LINK® System. It is the Customer's responsibility to update e-mail address information provided to Pipeline as necessary. Customer may designate an agent to receive invoices and may designate such agent to receive the e-mail notifications of the availability of Customer's final invoices on Pipeline's LINK® System.
- 20.3 Payment. Customer shall pay Pipeline by check or electronic transfer of federal funds no later than ten (10) days from the date of the invoice as specified in Section 20.2 above, except when such day is a Saturday, Sunday or bank holiday, in which case payment is due the following Business Day (hereinafter called "Due Date"), for service provided during the preceding Month, and billed by Pipeline for said Month; provided, however, if Customer pays by check sent directly to Pipeline's lockbox, it must be received by Pipeline one day prior to the Due Date, and if Customer pays by check sent directly to Pipeline's Corporate Offices, it must be received by Pipeline two days prior to the Due Date. If Customer pays by electronic transfer, payment shall be considered to have been made on the date when such payment is transferred by Customer to a bank account designated by Pipeline. All payments shall be identified by invoice number. Customer submitting payment should submit supporting documentation. Payments will be applied in accordance with documentation provided by Customer. If payment differs from the invoiced amount, Customer shall provide remittance detail except when the payment is made by electronic funds transfer, in which case, the remittance detail is due within two Business Days of the payment due date.

- 20.4 Extension of the Due Date. If presentation of invoices by Pipeline is delayed after the tenth day of the month, then the Due Date set forth in Section 20.3 above shall be extended accordingly unless Customer is responsible for such delay.
- 20.5 Failure to Submit Payment When Due. Should Customer fail to pay part or all of the amount of any invoice for service provided when such amount is due, Pipeline may charge interest on the unpaid portion of the invoice computed from such Due Date until the date of payment at the same rate of interest and in the same manner as prescribed for Pipeline refunds as set forth in Section 154.501(d) of the Commission's Regulations under the Natural Gas Act. If such failure to pay continues thirty (30) days after the Due Date, Pipeline, in addition to any other remedy it may have hereunder, may, after any necessary authorization by regulatory bodies having jurisdiction, suspend further service to Customer until such amount is paid or terminate Customer's Service Agreement. In the event of such termination of a Service Agreement, Pipeline shall serve the Commission and Customer with written notice of the termination.
- 20.6 Access to Billing Data. Both Pipeline and Customer shall have the right to examine at reasonable times the books, records, computer records, and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.
- 20.7 Disputed Amounts. If Customer in good faith shall dispute in writing the amount of any such invoice or parts thereof, Customer shall pay to Pipeline such amounts as it concedes to be correct and shall provide documentation identifying the basis for the dispute. In the event that Customer makes such payment and provides such documentation, and at any time thereafter within thirty (30) days of demand made by Pipeline furnishes a good and sufficient surety bond guaranteeing payment to Pipeline of the amount ultimately found due upon such invoices after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then Pipeline shall not be entitled to suspend further service unless and until default be made in the conditions of such bond. No payment by Customer of the amount of a disputed invoice shall prejudice the right of Customer to claim an adjustment of the disputed invoice.
- 20.8 Billing Errors. In the event an error is discovered in the invoiced amount hereunder, such error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall have been made in writing.
- (A) Measurement data corrections shall be processed within six (6) months of the production Month with a three-month rebuttal period.

- (B) The time limitation for disputes of allocations shall be six (6) months from the date of the initial Month-end allocation with a three-month rebuttal period.
- (C) Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice with a three-month rebuttal period, excluding government-required rate changes.

These three standards 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 these standards. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. If an adjustment is made pursuant to Section 10.3 or 10.4 of these General Terms and Conditions, the adjustment will be made in the next bill following the adjustment and in each bill thereafter as necessary to reflect the total amount of the adjustment.

20.9 Continuation of Service. Subject to the requirements of Section 7 of the Natural Gas Act, Pipeline shall not be required to perform or to continue to perform service on behalf of any Customer that has applied for bankruptcy under the Bankruptcy Code or on behalf of any Customer who, at Pipeline's discretion, fails to demonstrate minimal creditworthiness as required under Section 4 of these General Terms and Conditions; provided, however, that an exception will be made for a Customer who is a debtor in possession operating under Chapter 11 of the Bankruptcy Code where adequate assurance is provided from the bankruptcy court having jurisdiction over such debtor in possession that service billings will be paid promptly as a cost of administration of the bankruptcy proceeding.

20.10 Order of Discounts.

- (A) If and when Pipeline discounts the rates applicable for service under any Service Agreement under Rate Schedules included in this 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 Rate:
 - (1) the base rate (maximum less minimum rate and excluding all other components specified herein).
- (B) The entirety of each component described in Section 20.10(A) above will be exhausted prior to discounting the next component.

21. PERIODIC RATE ADJUSTMENTS

21.1 Rates and charges under this Tariff shall be adjusted periodically to reflect changes in Pipeline's expenditures for the Applicable Shrinkage Adjustment. Such expenditures shall include both expenditures chargeable to operations as well as expenditures includable in rate base. Pipeline and Customer recognize that Pipeline 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 Pipeline or Customer or attributable to Pipeline or Customer, and costs generated by decisions of the Commission, the courts or by an arbitration panel or other body having jurisdiction over the Pipeline. Pipeline hereby notifies Customers that it may be appropriate, equitable and consistent with cost responsibility to allocate such costs among Customers based on or taking into account past period factors, such as contract demand levels, purchases or other factors related to a prior period of time. Pipeline hereby notifies Customers that Pipeline 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. Customer shall have the right to intervene and protest any such filing.

21.2 Applicable Shrinkage Adjustment (ASA)

- (A) General. During the term of the Service Agreements executed hereunder, Pipeline will periodically track changes in its requirement to retain Gas in-kind in compensation for the quantities of Company Use Gas used to provide service for Customers. Applicable Shrinkage shall be as defined in Section 1 of these General Terms and Conditions.
- (B) Applicable Shrinkage Percentage ("ASA Percentage"). The initial ASA Percentage will be established by calculating a percentage for compressor fuel, other Company Use Gas and lost-and-unaccounted-for Gas for Pipeline's facilities based on appropriate engineering principles. The ASA Percentage for service under Rate Schedules FT-1, LFT-1 and IT-1 (hereinafter called "ASA Rate Schedules") shall be subject to adjustment pursuant to this Section 21.2. The applicable ASA Percentage shall be reflected on the currently effective Statement of Rates for Applicable Shrinkage Percentages of this Tariff.
- (C) Re-calculation of ASA Percentages. Pipeline shall recalculate the ASA Percentages, to be effective on the first April 1 after one complete year of operation and each April 1 thereafter, by dividing (1) Pipeline's projection of fuel and Company Use Gas and any lost and unaccounted for Gas for Pipeline's facilities for the next twelve (12) Months beginning on April 1,

by (2) Pipeline's projection of applicable deliveries for the account of Customers taking service under the ASA Rate Schedules for the next twelve (12) Months beginning on April 1.

(D) Procedure for Filing. At least thirty (30) days prior to the effective date of a change in the Applicable Shrinkage Percentage hereunder, Pipeline shall file with the Commission the revised Statements of Rates setting out the proposed change and supporting workpapers showing the calculations developing such proposal. Pipeline shall file annually to revise the ASA Percentages as provided in Section 21.2(C) herein effective on April 1 of each year. Pipeline may file interim proposals between annual filings subject to approval by the Commission.

(E) True-Up.

(1) Applicable Shrinkage Deferred Account. Pipeline shall record in the Applicable Shrinkage Deferred Account the net monetary value of all transactions involving Gas differences as a result of the operation of this Section 21, the imbalance resolution procedures of Section 19 of these General Terms and Conditions, and Sections 7.5, 7.6 and 8.1 of Rate Schedule PAL, as well as other requirements for Pipeline's purchase or sale of Gas due to unanticipated events which threaten the operational integrity of Pipeline's system. The Applicable Shrinkage Deferred Account shall be accumulated in twelve-month accumulation periods, January 1 through December 31, except for the initial accumulation period which will begin on the effective date of this Section 21.2 and extend through the following December 31.

(2) Carrying Charges. Each Month the Applicable Shrinkage Deferred Account shall be debited (if the balance in said account is a debit balance) or shall be credited (if the balance in said account is a credit balance) for a carrying charge, which shall be determined by the product of (a) and (b) below:

(a) The cash balance in the Applicable Shrinkage Deferred Account, exclusive of carrying charges accrued pursuant to this subsection (2), net of the related deferred tax amounts, if any, as of the end of the immediately preceding Month.

(b) The annual interest rate as set forth from time to time in Section 154.501(d) of the Commission's regulations divided by 365, or 366 in a leap year, and then multiplied by the number of days in the applicable Month.

- (3) Calculation of Surcharge or Refund. With each annual filing hereunder Pipeline shall calculate surcharges or refunds, separately for system services and for each incremental service as required by Commission order, designed to amortize the net monetary value of the balance in each applicable sub-account of the Applicable Shrinkage Deferred Account at the end of the previous accumulation period. The surcharge or refund shall be based upon the allocation of the Applicable Shrinkage Deferred Account sub-account balance at the end of the twelve month accumulation period over the applicable actual throughput during the twelve month accumulation period, exclusive of Backhauls. A Customer's net debit or credit shall be due and payable sixty days after the Commission's acceptance of the annual filing.

- (4) Disposition of Gas Differences. At Pipeline's discretion Quantities of Gas required to support under-realization of in-kind compensation may be obtained by Pipeline (a) from Gas available as a result of the operation of the imbalance resolution procedures contained in Section 19 of these General Terms and Conditions, (b) by means of purchase arrangements available to Pipeline, or (c) from other sources. At Pipeline's discretion Quantities of Gas available to Pipeline as a result of over-realization of in-kind compensation may be utilized for any system needs or may be disposed of in accordance with the provisions of Section 19.9 of these General Terms and Conditions.

21.3 Periodic Reports.

- (A) Applicable Shrinkage Adjustment. In accordance with Section 21.2(D) above, Pipeline shall file its Applicable Shrinkage Adjustment report to reflect revised Applicable Shrinkage Percentages, along with supporting documentation, prior to March 1 to be effective on April 1, subject to Commission approval.

22. NEGOTIATED RATES

Pipeline and Customer may mutually agree on a Negotiated Rate or rate formula with respect to rates, rate components, charges, or credits differing from the otherwise applicable Maximum Recourse Rate under any of Pipeline's Rate Schedules.

- 22.1 Definition. A Negotiated Rate may be less than, equal to, or greater than the Maximum Recourse Rate and/or the Minimum Recourse Rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity. The Maximum Recourse Rates will be available to any Customer that does not wish to negotiate a rate.
- 22.2 Limitations. This Section 22 does not authorize the negotiation of terms and conditions of service.
- 22.3 Allocation of Capacity. Under any circumstances where allocation of capacity is determined by the rate being paid, a Negotiated Rate Customer paying a rate higher than the applicable Maximum Recourse Rate will be deemed to be paying a rate equal to such Maximum Recourse Rate.
- 22.4 Bidding for Capacity. For purposes of exercising rights to continue service pursuant to the right of first refusal provisions in Section 3.6 of these General Terms and Conditions, the highest rate that a Customer must match (based on its reservation charge component and any revenue guarantee) 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 Service Agreement is the Maximum Recourse Rate.
- 22.5 Capacity Release.
- (A) Except as expressly provided for in Section 5 of these General Terms and Conditions, the release of capacity under a Negotiated Rate agreement is capped at the Maximum Recourse Rate; provided, however, the Negotiated Rate Customer will continue to be obligated to pay Pipeline the difference by which the Negotiated Rate exceeds the rate paid by the Replacement Customer. Pipeline and a Negotiated Rate Customer may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Pipeline's capacity release provisions.
 - (B) To the extent that Pipeline agrees to a Negotiated Rate applicable to usage and/or fuel charges, Pipeline will consider, if requested by the Negotiated Rate Customer, and may agree with the Negotiated Rate Customer, on a not unduly discriminatory basis, to the terms and conditions pursuant to which Pipeline will offer such Negotiated Rate(s) to Replacement

Customer(s). This agreement to flow through the Negotiated Rates for usage and/or fuel charges to a Replacement Customer will be documented as set forth in Section 22.8(A) below.

- (C) Any potential Replacement Customer that desires to acquire capacity on a temporary basis pursuant to Section 5 of these General Terms and Conditions may request via the LINK® System to pay the usage and/or fuel charges pursuant to Pipeline's Maximum Recourse Rates or pursuant to Customer's Negotiated Rate. Pipeline shall grant the request to pay Customer's Negotiated Rate (referred to in this subsection (C) as "Request") if Pipeline determines, in a not unduly discriminatory manner, that Replacement Customer is similarly situated to Customer; provided however, any Replacement Customer acquiring capacity on a temporary basis under a Service Agreement for which Pipeline and Customer have agreed to the automatic pass-through of the Negotiated Rate pursuant to Section 22.5(B) above will be deemed to be similarly situated to Customer and Pipeline will be deemed to have granted the Request. In the event that Pipeline grants such Request and the potential Replacement Customer's bid is the winning bid, the potential Replacement Customer's Request will serve as its execution of the Negotiated Rate agreement and Pipeline's award of the bid via the LINK® System will serve as Pipeline's execution of the Negotiated Rate agreement for such Negotiated Rates and such agreement will be documented as set forth in Section 22.8(B) below. If Pipeline denies such Request or if the potential Replacement Customer does not request such Negotiated Rates, Pipeline's recourse rates shall be applicable to any capacity awarded to such potential Replacement Customer. If Pipeline denies such Request, Pipeline shall notify the potential Replacement Customer via email of the reason(s) for the denial of the Request.

22.6 Accounting Treatment. Pipeline will establish a new sub-account to record the revenues received from any Negotiated Rate transactions and shall maintain supporting information at a level of detail that would be sufficient for Natural Gas Act Section 4 rate change filing purposes. Pipeline will keep separate and identifiable each volume transported, billing determinant, rate component, surcharge, and revenue associated with a Negotiated Rate to permit filings in the form of Statements G, I, and J in future rate proceedings.

22.7 Filing and Posting Requirements.

- (A) Pipeline will file a Statement of Negotiated Rates prior to the commencement of service under a Negotiated Rate agreement or, for any Negotiated Rate agreement(s) between Pipeline and Replacement Customer that incorporates a Negotiated Rate for usage and/or fuel charges flowed through to the Replacement Customer pursuant to Section

22.5(C) above as soon as reasonably practicable following the award of the capacity to the Replacement Customer pursuant to Section 5.10(D) of these General Terms and Conditions. The Statement of Negotiated Rates will reflect the Customer's exact legal name, Rate Schedule, Negotiated Rate, the term of the Negotiated Rate, quantities, Point(s) of Receipt and Point(s) of Delivery to which the Negotiated Rate applies, the exact formula underlying a Negotiated Rate for any Negotiated Rate agreement, and any other rate-related terms that apply to the Negotiated Rate. Such Statement of Negotiated Rates also states whether or not the actual Negotiated Rate agreement deviates in any material respect from the applicable Form of Service Agreement.

22.8 Documentation.

- (A) With the exception of Negotiated Rates agreed upon pursuant to Section 22.5(C) above that are applicable to a temporary release of capacity, any Negotiated Rate agreed to by Pipeline and Customer pursuant to this Section 22 shall be implemented by Pipeline's completion of a *pro forma* Statement of Negotiated Rates with the applicable Negotiated Rate-related provisions as described in Section 22.7 herein. Pipeline shall tender such *pro forma* Statement of Negotiated Rates to Customer together with a transmittal letter for counter-execution by Customer, which transmittal letter shall have the sole purpose of memorializing Pipeline's and Customer's mutual agreement to the rate-related provisions reflected on such attached *pro forma* Statement of Negotiated Rates. After execution by both Pipeline and Customer, Pipeline 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 *pro forma* Statement of Negotiated Rates agreed to by Pipeline and Customer.
- (B) Upon the completion of the capacity release process set forth in Section 5 of these General Terms and Conditions and the award of capacity on a temporary basis to Replacement Customer(s), any Negotiated Rates agreed upon and executed pursuant to Section 22.5(C) above shall be documented by Pipeline in a Statement of Negotiated Rates filed with the Commission and provided to the Replacement Customer(s).

22.9 Effective Date of Negotiated Rate. Any Negotiated Rate agreed to pursuant to this Section 22 shall become effective only after acceptance by the Commission; prior to such date the rate applicable to any such service shall be the applicable Maximum Recourse Rate.

22.10 Effect of Negotiated Rate. Customer, by agreeing to a Negotiated Rate, acknowledges that the otherwise generally applicable Maximum Recourse Rate(s) shall not apply or be available to Customer for service under the applicable

Service Agreement during the period for which the Negotiated Rate is effective, notwithstanding any adjustment to such generally applicable Maximum Recourse Rate(s) which may become effective during the period for which the Negotiated Rate is effective. If, at any time during the period for which the Negotiated Rate is effective, Pipeline is collecting its effective Maximum Recourse Rate(s) subject to refund under Section 4 of the Natural Gas Act, Pipeline shall have no refund obligation to Customer even if the final Maximum Recourse Rate(s) are reduced to a level below the Negotiated Rate. Customer's right to receive credits relating to Pipeline's penalty revenue or other similar revenue, if any, applicable to service on Pipeline's system shall be governed by this Tariff and any applicable Commission orders and/or regulations.

23. DISCOUNT TERMS

23.1 Any Customer desiring a discount of the Maximum Recourse Rates for service under Pipeline's Rate Schedules must submit a valid request for such discount pursuant to the procedures of this Section 23. To be considered a valid request, Customer must complete and submit a request for discount via the LINK® System, specifically including the information for all mandatory fields. Upon receipt of a valid request for a discount, Pipeline will log such request and either deny or grant such request. In the event that Pipeline rejects Customer's request for a discounted rate, Pipeline shall notify Customer via e-mail of the reason for such rejection.

23.2 Types of Discounts.

- (A) In the event that Pipeline agrees to discount its Maximum Recourse Rates under any of its Rate Schedules, Pipeline and Customer may agree to the types of discounts specified herein without such discounts constituting a material deviation from Pipeline's *pro forma* service agreement.
- (B) Pipeline and Customer may agree that a specified discounted rate will apply:
- (1) only to specified quantities under the Service Agreement;
 - (2) only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (3) only during specified periods of the year or for a specifically defined period;
 - (4) only to specified points, combination of points, Zones, markets, Transportation Paths or other defined geographic area(s);
 - (5) only to reserves committed by Customer;
 - (6) 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);
 - (7) 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 Rate and Minimum Recourse Rate at the time Customer received the Discount Confirmation pursuant to Section 23.4 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 revised Statements 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

- (8) based upon published index prices for specific Points of Receipt and/or Points of Delivery 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 Rates.

- 23.3 In the event that Pipeline rejects Customer's request for a discounted rate, Pipeline shall notify Customer via e-mail of the reason for such rejection.
- 23.4 The terms of any discount request granted by Pipeline pursuant to this Section 23 shall be transmitted by e-mail to Customer in the form of a Discount Confirmation. The Discount Confirmation shall identify the applicable Customer's name, Service Agreement number, Rate Schedule, term of the discount, discount rate, applicable quantities, Point(s) of Receipt and Point(s) of Delivery, and/or the 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 23.2 above. No particular discount transaction shall be contractually binding on either Pipeline or Customer until Pipeline has confirmed the terms of the discount upon Pipeline's e-mail to Customer of the Discount Confirmation for the transaction, subject to the underlying Service 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 Pipeline. Once the discount is contractually binding, the Discount Confirmation will constitute an addendum to the underlying Service Agreement. Each such addendum is an integral part of the underlying Service Agreement as if executed by both parties and fully copied and set forth at length therein.
- 23.5 If Pipeline's Maximum Recourse Rates are subject to refund at any time during the effectiveness of a Discount Confirmation, with respect to the applicable discounted rate, Customer shall be entitled to refunds of payments made by Customer 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 Customer during such time period. Subject to the condition precedent set forth in the immediately preceding sentence, Customer's principal refund amount shall be equal to:

- (i) with respect to usage-based rates, the product of (aa) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, and (bb) the Quantities of Gas delivered to Customer, or for Customer's account, during the refund period; and
- (ii) with respect to reservation-based rates, the product of (cc) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, (dd) the MDQ covered by the discounted rate, and (ee) 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).

24. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES

- 24.1 Uniform Application. All terms and conditions contained in this Tariff shall be applied in a uniform and nondiscriminatory manner without regard to affiliation of any entity to Pipeline.
- 24.2 Comparability of Service. Pipeline shall provide service under Rate Schedules FT-1, LFT-1, IT-1, PAL and TABS on a basis that is equal in quality for all Gas supplies transported or otherwise nominated under that Rate Schedule.
- 24.3 Informational Postings. All information required to be posted pursuant to the Commission's currently effective Standards of Conduct regulations will be provided on Pipeline's Internet Web Site under Informational Postings. Such information will be updated as required by applicable regulation(s) issued by the Commission.

25. COMPLAINT PROCEDURES

Complaints concerning Pipeline's compliance with Pipeline's Standards of Conduct procedures should be communicated to Pipeline with a designation that it is a Standards of Conduct regulation complaint and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Information regarding the appropriate contact personnel shall be posted on Pipeline's Internet Web Site. Pipeline shall respond initially within forty-eight (48) hours and in writing within thirty (30) Days to such complaints. In the event the required date of Pipeline's response falls on a Saturday, Sunday, or a holiday that affects Pipeline, Pipeline shall respond by the next Business Day.

26. PERMITTED SHARING OF NON-PUBLIC INFORMATION

Pursuant to FERC Order No. 787 and subject to the requirements of FERC Order No. 787, Pipeline 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 Pipeline’s or Electric Transmission Operator’s system. Pipeline’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 Pipeline’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 the Informational Postings portion of Pipeline’s Internet Web Site.

27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")

Pipeline has adopted the Business Practices and Electronic Communication 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, Pipeline 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 Pipeline includes appropriate citations in the submission.

Pipeline 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, Pipeline incorporates the following: © 1996 – 2017 NAESB, all rights reserved.

<u>NAESB WGQ Standard No.</u>	<u>Tariff Record (Part 6 - General Terms and Conditions unless otherwise specified)</u>	<u>Section</u>
Additional Standards – General		
0.2.5	1. Definitions	1
Nominations Related Standards:		
1.2.4	1. Definitions	1
1.2.6	1. Definitions	1
1.2.12	1. Definitions	1
1.2.14	1. Definitions	1
1.2.15	1. Definitions	1
1.2.16	1. Definitions	1
1.2.17	1. Definitions	1
1.3.1	1. Definitions	1
1.3.2(i)	11. Nominations	11.3(A), 11.5(A)(1)
1.3.2(ii)	11. Nominations	11.5(A)(2)
1.3.2(iii)	11. Nominations	11.5(A)(3)
1.3.2(iv)	11. Nominations	11.5(A)(4)
1.3.2(v)	11. Nominations	11.5(A)(5)
1.3.2(vi)	11. Nominations	11.5(B)

1.3.5	11. Nominations	11.1
1.3.6	11. Nominations	11.4(A)
1.3.7	11. Nominations	11.2
1.3.9	11. Nominations	11.1, 11.4(A), 11.4(B)
1.3.11	11. Nominations	11.4(A)
1.3.13	11. Nominations	11.4(A), 11.4(B)
1.3.19	11. Nominations	11.1
1.3.21	11. Nominations	11.3(B), 11.5(C)
1.3.33	11. Nominations	11.4(A)
1.3.80	11. Nominations	11.4(C)

Flowing Gas Related Standards

2.2.1	1. Definitions	1
2.2.2	1. Definitions	1
2.2.3	1. Definitions	1
2.3.3	17. Determination of Receipts and Deliveries	17.2(A)
2.3.4	17. Determination of Receipts and Deliveries	17.2(B)
2.3.5	17. Determination of Receipts and Deliveries	17.2(A)
2.3.14	10. Measurement and Measurement Equipment	10.4
	20. Billing and Payment	20.8(A)
2.3.16	17. Determination of Receipts and Deliveries	17.2(B)
2.3.17	17. Determination of Receipts and Deliveries	17.2(B)
2.3.18	17. Determination of Receipts and Deliveries	17.2(B)
2.3.20	17. Determination of Receipts and Deliveries	17.2(B)
2.3.26	20. Billing and Payment	20.8(B)
2.3.28	19. Imbalance Resolution Procedures	19.7(A)
2.3.29	18. Operational Balancing Agreements ("OBA")	18.4
2.3.30	19. Imbalance Resolution Procedures	19.5(A), 19.5(C), 19.6
2.3.40	19. Imbalance Resolution Procedures	19.5(C)
2.3.41	19. Imbalance Resolution Procedures	19.3, 19.5(C)
2.3.42	19. Imbalance Resolution Procedures	19.5(C)
2.3.43	19. Imbalance Resolution Procedures	19.5(C)
2.3.44	19. Imbalance Resolution Procedures	19.5(C)
2.3.45	19. Imbalance Resolution Procedures	19.5(C)
2.3.46	19. Imbalance Resolution Procedures	19.5(C)
2.3.47	19. Imbalance Resolution Procedures	19.5(C)

Invoicing Related Standards

3.2.1	1. Definitions	1
3.3.14	19. Imbalance Resolution Procedures	19.7(A)
3.3.15	20. Billing and Payment	20.8(C)
3.3.17	20. Billing and Payment	20.3
3.3.18	20. Billing and Payment	20.3
3.3.19	20. Billing and Payment	20.7

Quadrant Electronic Delivery Mechanism Standards:

4.2.11 1. Definitions 1

Capacity Release Related Standards

5.2.2	1. Definitions	1
5.2.3	1. Definitions	1
5.2.4	1. Definitions	1
5.2.5	1. Definitions	1
5.3.1	5. Capacity Release	5.4(A)
5.3.2	5. Capacity Release	5.4(B)(1), 5.4(B)(2), 5.5(C)
5.3.3	5. Capacity Release	5.2(C)(14), 5.4(C)(3)
5.3.4	5. Capacity Release	5.10(B)
5.3.7	5. Capacity Release	5.11(H)
5.3.8	5. Capacity Release	5.11(H)
5.3.11	5. Capacity Release	5.5(C)
5.3.12	5. Capacity Release	5.6
5.3.13	5. Capacity Release	5.9(E)
5.3.14	5. Capacity Release	5.2(B)
5.3.15	5. Capacity Release	5.9(E)
5.3.16	5. Capacity Release	5.2(B)
5.3.18	2. Electronic Communication	2.9
5.3.21	5. Capacity Release	5.2(C)(11)
5.3.24	5. Capacity Release	5.6
5.3.25	5. Capacity Release	5.2(C)(6)
5.3.26	5. Capacity Release	5.2(C)(13)
5.3.28	5. Capacity Release	5.2(C)(7)
5.3.44	5. Capacity Release	5.11(C), 5.11(F)
5.3.45	5. Capacity Release	5.11(D)
5.3.48	5. Capacity Release	5.11(B), 5.11(E)
5.3.49	5. Capacity Release	5.11(E)
5.3.50	5. Capacity Release	5.2(C)(5)
5.3.51	5. Capacity Release	5.2(C)(5)
5.3.53	5. Capacity Release	5.11(H)
5.3.54	5. Capacity Release	5.11(H)
5.3.55	5. Capacity Release	5.11(G)(1)
5.3.56	5. Capacity Release	5.11(G)(2)
5.3.57	5. Capacity Release	5.11(G)(3)
5.3.58	5. Capacity Release	5.11(G)(3)
5.3.59	5. Capacity Release	5.10(D)
5.3.60	5. Capacity Release	5.16
5.3.62	5. Capacity Release	5.19(A)
5.3.62a	5. Capacity Release	5.19(B)
5.3.63	5. Capacity Release	5.19(C)
5.3.64	5. Capacity Release	5.19(D)
5.3.65	5. Capacity Release	5.19(E)

5.3.66	5. Capacity Release	5.19(F)
5.3.67	5. Capacity Release	5.19(G)
5.3.68	5. Capacity Release	5.19(H)
5.3.69	5. Capacity Release	5.19(I)

Internet Electronic Transport Related Standards:

10.2.8	1. Definitions	1
10.2.21	1. Definitions	1

Standards Incorporated by Reference

Additional Standards:

General

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Data Sets:
0.4.4

Storage Information

Data Sets:
0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.18, 1.2.19

Standards:

1.3.3, 1.3.4, 1.3.8, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23,
1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.34,
1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44,
1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64,
1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74,
1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.81, 1.3.82

Data Sets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions:

2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.15,
2.3.19, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.31, 2.3.32, 2.3.48, 2.3.50,
2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60,
2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17,
2.4.18

Invoicing Related Standards:

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13,
3.3.16, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.12, 4.2.13,
4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,
4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36,
4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48,
4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61,
4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80,
4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91,
4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101,
4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106

Capacity Release Related Standards:

Definitions:

5.2.1

Standards:

5.3.5, 5.3.9, 5.3.10, 5.3.19, 5.3.20, 5.3.22, 5.3.23, 5.3.29, 5.3.31, 5.3.32,
5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42,
5.3.46, 5.3.47, 5.3.52, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25,
5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.9, 10.2.10, 10.2.11,
10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20,
10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30,
10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11,
10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21,
10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27

Standards for which Waiver or Extension of Time to Comply have been Granted

NAESB WGQ

Standard No. Waiver or Extension of Time

Additional Standards – Storage Information:

0.4.1 Extension of Time

Flowing Gas Related Standards:

2.4.1 Extension of Time

2.4.2 Extension of Time

2.4.3 Extension of Time

2.4.4 Extension of Time

2.4.5 Extension of Time

2.4.6 Extension of Time

2.4.7 Extension of Time

2.4.8 Extension of Time

2.4.17 Extension of Time

2.4.18 Extension of Time

Invoicing Related Standards:

3.4.1 Extension of Time

3.4.2 Extension of Time

3.4.3 Extension of Time

3.4.4 Extension of Time

Capacity Release Related Standards:

5.4.17 Extension of Time

5.4.23 Extension of Time

28. POLICY ON FEES AND CONSTRUCTION OF NEW FACILITIES

- 28.1 Unless otherwise mutually agreed to by the parties, Pipeline shall not be required to own, construct and install any facilities to perform any service requested by a Customer under this Tariff. In the event Pipeline 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, Pipeline shall do so on a not unduly discriminatory basis. Except as provided in Section 28.2 herein, Customer shall reimburse Pipeline for (a) the costs of such facilities installed by Pipeline to receive, measure, transport or deliver Natural Gas for Customer's account and (b) any and all filings and approval fees required in connection with such construction that Pipeline is obligated to pay to the Commission or any other governmental authority having jurisdiction.
- 28.2 Pipeline may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in Section 28.1 if it determines that construction of the facilities would be economic to Pipeline, based on Customer assurance of transportation throughput through the proposed facilities and other matters, as described below. All requests for waiver shall be handled by Pipeline in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Pipeline 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 Pipeline estimates will be generated subsequent to such construction, and the availability of capital funds on terms and conditions acceptable to Pipeline. In estimating the revenues to be generated, Pipeline 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 similar factors which impact the utilization of Pipeline's system.
- 28.3 Any monetary reimbursement due Pipeline by Customer pursuant to this Section 28 shall be due and payable to Pipeline prior to Pipeline's commencement of construction of facilities to be constructed unless otherwise agreed by Pipeline and within ten (10) days of receipt by Customer of Pipeline's invoice(s) for same; provided, however, subject to Pipeline's written consent, such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary term of the Service Agreement between Pipeline and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both Pipeline and Customer. Unless Pipeline and Customer 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.

- 28.4 Nothing in this Section 28 shall require Pipeline to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Further, nothing in this Section 28 shall prevent Pipeline from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act.
- 28.5 In order to maintain and expand service and utilization of Pipeline's system, Pipeline may negotiate agreements with Customers in connection with which Pipeline could make a contribution in aid of construction (CIAC) to the Customer. Customer would use such funds to assist in the development of its Natural Gas related facilities. For any newly agreed to CIAC, Pipeline will post on the LINK® System for a period of thirty (30) days (i) the amount of the CIAC, (ii) the name of the Customer receiving the CIAC, and (iii) the economic feasibility of the CIAC. Such CIACs are includible in Pipeline'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.

29. TERMINATION FOR DEFAULT

- 29.1 If either Pipeline or Customer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement hereunder, then in such event the other party may at its option terminate such Service 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 cause for terminating the Service Agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the Service Agreement, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the Service Agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then, after any necessary authorization by regulatory bodies having jurisdiction, the Service Agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such Service Agreement pursuant to the provisions of this Section 29 shall be without prejudice to the right of Pipeline to collect any amounts then due to it for service prior to the time of cancellation and shall be without prejudice to the right of Customer to receive any service for which it has paid but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such Service Agreement.
- 29.2 Failure to perform an act that is excused due to, *inter alia*, Force Majeure as defined in Section 15 of these General Terms and Conditions does not constitute an event of default hereunder.
- 29.3 Prior to a termination for default, Pipeline may suspend service to any Customer who fails to comply with these General Terms and Conditions, the applicable Rate Schedule, or Customer's Service Agreement. Pipeline's failure to invoke its right to terminate a Service Agreement for default shall not be construed as a waiver of Pipeline's right to terminate service during any other period when Customer is in violation of the terms of this Tariff or of Customer's Service Agreement.

30. POSSESSION OF GAS

30.1 Control.

Pipeline shall be deemed to be in control and possession of the Gas hereunder upon receipt of such Gas until it shall have been delivered for Customer's account, and Customer shall be deemed to be in control and possession of such Gas prior to such receipt by Pipeline and after such delivery for Customer's account.

30.2 Responsibility. Pipeline shall have no responsibility with respect to the Gas or on account of anything done, occurring or arising with respect to the Gas before receipt of such Gas by Pipeline or after delivery of the Gas for Customer's account, and Customer shall have no responsibility with respect to the Gas or on account of anything done, occurring or arising with respect to the Gas while such Gas is in Pipeline's possession; provided, however, in the event any Gas flows through facilities of Customer prior to such delivery to or for Customer's account, Pipeline shall have no responsibility with respect to such Gas or on account of anything which may be done, happen or arise with respect to such Gas while in the facilities of Customer.

31. WARRANTY OF TITLE TO GAS

Customer warrants that Customer will at the time of receipt of the Gas by Pipeline have good and merchantable title to all of the Gas free and clear of all liens, encumbrances and claims whatsoever. Title to the Gas received by Pipeline for Customer's account hereunder shall remain with Customer during its transportation by Pipeline. Customer agrees to indemnify and save Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the Gas prior to its delivery to Pipeline for Customer's account and after its delivery by Pipeline for Customer's account. Pipeline agrees to indemnify and save Customer harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the Gas during its transportation by Pipeline for Customer's account. Customer shall be solely responsible for, and shall indemnify and save Pipeline harmless from any sales or use tax which may be levied on Gas furnished by Shipper for Applicable Shrinkage.

32. NON-DISCRIMINATORY WAIVER OF TARIFF PROVISIONS

Pipeline may waive any of its rights hereunder or any obligations of Customer on a basis that is not unduly discriminatory; provided that no waiver by either Customer or Pipeline of any one or more defaults by the other in the performance of any provision of the Service Agreement between Customer and Pipeline shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

33. DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of this Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

34. GOVERNMENTAL REGULATION

The Service Agreement, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

35. ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under a Service Agreement. Either Customer or Pipeline may assign or pledge such Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign the Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customers under any firm Service Agreement may assign its rights to capacity pursuant to Section 5 of these General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 5 of these General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

36. NON-RECOURSE OBLIGATION OF LLC AND OPERATOR

Pipeline is a Delaware limited liability company. Customer shall have no recourse against any member of Pipeline or any affiliate thereof with respect to Pipeline's obligations under a Service Agreement. Customer's sole recourse shall be against the assets and revenues of Pipeline, irrespective of any failure to comply with applicable law or any provision of such Service Agreement. Customer shall have no claim against any member of Pipeline or any affiliate thereof under or in connection with such Service Agreement. Customer shall have no claim against the Operator, its officers, employees, and agents, under or in connection with such Service Agreement and the performance of its duties as Operator (provided that this shall not bar claims resulting from the gross negligence, undue discrimination or willful misconduct of the Operator) and Customer shall provide the Operator with a waiver of subrogation of Customer's insurance company for all such claims. The foregoing requirements are set forth expressly for the benefit of the members of Pipeline, any of Pipeline's affiliates and the Operator.

37. NON-CONFORMING SERVICE AGREEMENTS

The following Service Agreements are listed in accordance with Section 154.112(b) of the Commission's regulations. This list of Service Agreements will be updated to reflect new Service Agreements containing material, non-conforming provisions, with the exception of an extension in the term of any of the Service Agreements identified below.

<u>Customer Name</u>	<u>Service Agreement Number</u>	<u>Rate Schedule</u>	<u>Primary Term Begin Date</u>
DTE Electric Company	860002	FT-1	10/01/2018
DTE Gas Company	860003	FT-1	10/01/2018
EAP Ohio, LLC	860161	FT-1	01/01/2019

38. LEASED CAPACITY

As noted in the Preliminary Statement of this Tariff, Pipeline has entered into agreements with DTE Gas, Texas Eastern and Vector U.S. to lease capacity which Pipeline will utilize to provide firm and interruptible services on certain portions of its pipeline system. The availability of locations and capacity on such leased capacity shall be governed by the lease agreement between Pipeline and such other pipeline system, as such lease agreement is amended from time to time.

39. OFF-SYSTEM PIPELINE CAPACITY

- 39.1 From time to time, Pipeline may enter into transportation agreements with other interstate or intrastate pipeline companies ("Off-system Pipeline"). In the event that Pipeline acquires capacity on an Off-system Pipeline ("Off-system Capacity"), Pipeline will use such capacity for operational reasons and will only render service to Customers on the acquired capacity pursuant to this Tariff and subject to Pipeline's approved rates, as such Tariff and rates may change from time to time. For purposes of transactions entered into pursuant to this Section 39, the "shipper must have title" requirement is waived.
- 39.2 In the event that Off-system Capacity used to render service to Customers is subject to renewal limitations, as specified in the Off-system Pipeline's tariff or operating statement and/or as provided by the Commission's regulations, Pipeline will indicate, in any posting of capacity available for service, any limitation to extension rights that will apply as a result of limitations on the Off-system Capacity. This provision does not impact any right of first refusal that Customer may have pursuant to this Tariff, with the exception that extension of the affected Service Agreement is limited to the term of Pipeline's contract or service agreement with the Off-system Pipeline.

40. PENALTIES AND PENALTY CREDITING MECHANISM

40.1 Scheduling Penalties

Any penalty revenue collected by Pipeline pursuant to Section 3.5 of Rate Schedule FT-1, Section 3.6 of Rate Schedule LFT-1, or Section 3.4 of Rate Schedule IT-1 shall be credited, net of costs, to those Customers that did not incur scheduling penalties pursuant to the sections referenced in this Section 40.1 in the Month for which scheduling penalty revenues were received ("Non-Offending Customers"), based on the ratio of the actual Quantity of Gas taken during that Month by the Non-Offending Customer under its Rate Schedule FT-1, LFT-1 and IT-1 Service Agreements to the actual Quantity of Gas taken during that Month by all Non-Offending Customers under Rate Schedule FT-1, LFT-1 and IT-1 Service Agreements. Such credits shall be calculated for each Month of the twelve (12) Month period ending December 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month of March. Any penalty revenue credited to Non-Offending Customers pursuant to this Section 40.1 shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

FORMS OF SERVICE AGREEMENT

INDEX

Description/Title

1. Firm Transportation Services
 - 1.1 Form of Service Agreement for Rate Schedule FT-1
 - 1.2 Form of Service Agreement for Rate Schedule LFT-1
2. Interruptible Transportation Services
 - 2.1 Form of Service Agreement for Rate Schedule IT-1
3. Aggregation and Balancing Services
 - 3.1 Form of Service Agreement for Rate Schedule TABS
 - 3.2 Form of Service Agreement for Rate Schedule PAL
4. Miscellaneous Forms of Service Agreement
 - 4.1 Capacity Release Umbrella Agreement
 - 4.2 Multiple Shipper Option Agreement
 - 4.3 LINK® System Agreement

FORMS OF SERVICE AGREEMENT
FOR FIRM TRANSPORTATION SERVICES
INDEX

Description/Title

- 1.1 Form of Service Agreement for Rate Schedule FT-1
- 1.2 Form of Service Agreement for Rate Schedule LFT-1

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT-1**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company ("Pipeline") and _____ ("Customer").

[In the event that the Service Agreement will be associated with a Multiple Shipper Option Agreement, the previous paragraph will be replaced with the following language: "This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC ("Pipeline") and _____, as "Administrator" on behalf of the Principals as set forth in MSOA Contract No. _____, hereinafter individually and collectively referred to as "Customer," which Principals meet the requirements set forth in such Multiple Shipper Option Agreement which is incorporated herein by reference."]

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Service Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Service Agreement, and/or to describe or define the facilities necessary to provide service under the Service Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the following language will be included as a Whereas clause in Customer's Service Agreement: "The service provided to Customer under this Service Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule FT-1 and the General Terms and Conditions of Pipeline's FERC Gas 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 Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement: "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. The Maximum Daily Quantity (MDQ) for service under this Service Agreement and any right to increase or decrease the MDQ during the term of this Service Agreement are listed on Exhibit D attached hereto. The Primary Point(s) of Receipt and the Primary Point(s) of Delivery are listed on Exhibits A and B, respectively, attached hereto. The Maximum Daily Receipt Obligation (MDRO) for each Primary Point of Receipt and the Maximum Daily Delivery Obligation (MDDO) for each Primary Point of Delivery are listed on Exhibits A and B, respectively, attached hereto. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's Zones are specified on Exhibit C attached hereto. Exhibit(s) A, B, C and D are incorporated herein by reference and made a part hereof.

Pipeline shall not be obligated to, but may at its discretion, receive at any Primary Point of Receipt on any Day a Quantity of Gas in excess of the applicable MDRO, plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any Day a Quantity of Gas in excess of the applicable MDQ, plus Applicable Shrinkage, except as otherwise provided in Section 7 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Pipeline shall not be obligated to, but may at its discretion, deliver at any Primary Point of Delivery on any Day a Quantity of Gas in excess of the applicable MDDO, but shall not deliver in the aggregate at all Points of Delivery on any Day a Quantity of Gas in excess of the applicable MDQ, except as otherwise provided in Section 7 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Service Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a term ending on and including _____ [or, when applicable, shall continue for a term of _____ years"] ("Primary Term") and shall remain in force from year to year thereafter [***In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the following phrase will be included in Customer's Service Agreement:*** "but in no event beyond _____,"] unless terminated by either party upon _____ prior written notice [at least one (1) year prior notice for Long-Term Service Agreements, with the exception that, for Service Agreements with a Primary Term of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the Primary Term of the Service Agreement, and at least one (1) year for subsequent notices for such Service Agreement; mutually agreeable for Short-Term Service Agreements] prior to the end of the Primary Term or any successive term thereof. [In the event that Pipeline and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted.]

If this Service Agreement qualifies as a "ROFR Agreement" as defined in the General Terms and Conditions of Pipeline's FERC Gas Tariff, the provision of a termination notice by either Customer or Pipeline, pursuant to the preceding paragraph, a notice of partial reduction in MDQ pursuant to Exhibit D (but only for the quantity of the reduction) or the expiration of this Service Agreement by its own terms triggers Customer's right of first refusal under Section 3.6 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the previous paragraph will be replaced with the following language: "This Service Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of Pipeline's FERC Gas Tariff."

This Service Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by Section 19 of the General Terms and Conditions of Pipeline's FERC Gas Tariff shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed as part of Pipeline's FERC Gas Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's FERC Gas Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Notwithstanding the foregoing, Customer does not agree that Pipeline shall have the unilateral right without the consent of Customer subsequent to the execution of this Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ, the term of the Service Agreement, the Primary Point(s) of Receipt, the Primary Point(s) of Delivery, or the firm character of the service hereunder. Nothing contained herein shall be construed to deny Customer 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 such changes in whole or in part.
5. All Gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept Gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Customer shall pay all costs associated with processing of such Gas as necessary to comply with such quality specifications.
6. Unless otherwise required in Pipeline's FERC Gas Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:
7. The interpretation and performance of this Service 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.
8. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the Service Agreement(s) between the parties hereto as described below:

[None or an appropriate description]

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

CUSTOMER: _____

NEXUS Gas Transmission, LLC.
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT-1
(continued)

EXHIBIT A, PRIMARY POINTS OF RECEIPT AND TRANSPORTATION PATH,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit A Effective Date: _____

Customer's Primary Point(s) of Receipt

<u>Primary Point of Receipt</u>	<u>Description</u>	<u>Maximum Daily Receipt Obligation (plus Applicable Shrinkage)</u>
---------------------------------	--------------------	---

Transportation Path

<u>Transportation Path</u>	<u>Transportation Path Quantity</u>
----------------------------	-------------------------------------

[Notice: Additional information may be included where the Transportation Path cannot be clearly identified from the MDRO and the Transportation Path set forth on Exhibit A to Customer's FT-1 Service Agreement and/or the MDDO set forth on Exhibit B to Customer's FT-1 Service Agreement.]

[Notice: ***In the event that Customer and Pipeline have agreed that the receipt of Customer's Gas from Customer will be accomplished by displacement at a Primary Point of Receipt listed above, the Primary Point of Receipt will be identified with an "*" and the following language will be included in Exhibit A to Customer's service agreement:*** "Receipts at (enter the information for the applicable Primary Point of Receipt) shall be by displacement and if displacement is not available, by physical flow, if possible, subject to the agreement of (enter the name of the interconnected party and an appropriate abbreviation) to the delivery of such volumes. Arrangements for deliveries by (enter the abbreviation for the interconnected party) shall be the sole responsibility of Customer."]

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit A Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT-1
 (continued)

EXHIBIT B, PRIMARY POINTS OF DELIVERY,
 DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1
 BETWEEN NEXUS GAS TRANSMISSION, LLC
 AND _____ ("CUSTOMER")
 DATED _____

Exhibit B Effective Date: _____

<u>Primary Point of Delivery</u>	<u>Description</u>	<u>Maximum Daily Delivery Obligation</u>	<u>[Maximum Hourly Quantity]</u>	<u>Minimum Delivery Pressure</u>
--	--------------------	--	--	--

[Notice: ***In the event that Customer and Pipeline have agreed that the delivery of Customer's Gas to Customer will be accomplished by displacement at a Primary Point of Delivery listed above, the Primary Point of Delivery will be identified with an "*" and the following language will be included in Exhibit B to Customer's service agreement:*** "Deliveries at (enter the information for the applicable Primary Point of Delivery) shall be by displacement and if displacement is not available, by physical flow, if possible, subject to the agreement of (enter the name of the interconnected party and an appropriate abbreviation) to the receipt of such volumes. Arrangements for receipts by (enter the abbreviation for the interconnected party) shall be the sole responsibility of Customer."]

[Notice: In the event that Customer and Pipeline have reached an agreement for an MHQ at a Primary Point of Delivery under Customer's Service Agreement, the column heading Maximum Hourly Quantity will be included in Exhibit B to Customer's Service Agreement, followed by Customer's MHQ.]

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit B Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT-1
(continued)

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY
AND ZONE BOUNDARY EXIT QUANTITY,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit C Effective Date: _____

Zone Boundary Entry Quantity (Dth/D)

<u>From</u>	Supply Zone	<u>To</u>	Market Zone 1	Market Zone 2
Supply Zone				
Market Zone 1				
Market Zone 2				

Zone Boundary Exit Quantity (Dth/D)

<u>From</u>	Supply Zone	<u>To</u>	Market Zone 1	Market Zone 2
Supply Zone				
Market Zone 1				
Market Zone 2				

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit C Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT-1
(continued)

EXHIBIT D, TRANSPORTATION QUANTITIES,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit D Effective Date: _____

MAXIMUM DAILY QUANTITY (MDQ): _____ Dth
Dth Period

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's Maximum Daily Quantity by _____ Dth as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire Service Agreement] year(s) prior written notice to Pipeline.

Pipeline and Customer agree that, if this Service Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's MDQ is in addition to and not in lieu of any ROFR right to reduce Customer's MDQ on a non-geographic basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's MDQ is subject to the ROFR procedures specified in the General Terms and Conditions of Pipeline's FERC Gas Tariff and Customer may retain the balance of the MDQ without being subject to the ROFR procedures.

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit D Dated _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE LFT-1**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company ("Pipeline") and _____ ("Customer").

[In the event that the Service Agreement will be associated with a Multiple Shipper Option Agreement, the previous paragraph will be replaced with the following language: "This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC ("Pipeline") and _____, as "Administrator" on behalf of the Principals as set forth in MSOA Contract No. _____, hereinafter individually and collectively referred to as "Customer," which Principals meet the requirements set forth in such Multiple Shipper Option Agreement which is incorporated herein by reference."]

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Service Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Service Agreement, and/or to describe or define the facilities necessary to provide service under the Service Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the following language will be included as a Whereas clause in Customer's Service Agreement: "The service provided to Customer under this Service Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 3.4(G) of the General Terms and Conditions of Pipeline's FERC Gas Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule LFT-1 and the General Terms and Conditions of Pipeline's FERC Gas 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 Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement: "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. The Maximum Daily Quantity (MDQ) for service under this Service Agreement and any right to increase or decrease the MDQ during the term of this Service Agreement are listed on Exhibit D attached hereto. The Primary Point(s) of Receipt and the Primary Point(s) of Delivery are listed on Exhibits A and B, respectively, attached hereto. The Maximum Daily Receipt Obligation (MDRO) for each Primary Point of Receipt and the Maximum Daily Delivery Obligation (MDDO) for each Primary Point of Delivery are listed on Exhibits A and B, respectively, attached hereto. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's Zones are specified on Exhibit C attached hereto. The number of Limited Days applicable to this Service Agreement is listed on Exhibit D. Exhibit(s) A, B, C and D are incorporated herein by reference and made a part hereof.

Pipeline shall not be obligated to, but may at its discretion, receive at any Primary Point of Receipt on any Day a Quantity of Gas in excess of the applicable MDRO, plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any Day a Quantity of Gas in excess of the applicable MDQ, plus Applicable Shrinkage, except as otherwise provided in Section 7 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Pipeline shall not be obligated to, but may at its discretion, deliver at any Primary Point of Delivery on any Day a Quantity of Gas in excess of the applicable MDDO, but shall not deliver in the aggregate at all Points of Delivery on any Day a Quantity of Gas in excess of the applicable MDQ, except as otherwise provided in Section 7 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Service Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a term ending on and including _____ [or, when applicable, shall continue for a term of _____ years"] ("Primary Term") and shall remain in force from year to year thereafter **[In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the following phrase will be included in Customer's Service Agreement:** "but in no event beyond _____,"] unless terminated by either party upon _____ prior written notice [at least one (1) year prior notice for Long-Term Service Agreements, with the exception that, for Service Agreements with a Primary Term of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the Primary Term of the Service Agreement, and at least one (1) year for subsequent notices for such Service Agreement; mutually agreeable for Short-Term Service Agreements] prior to the end of the Primary Term or any successive term thereof. [In the event that Pipeline and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted.]

If this Service Agreement qualifies as a "ROFR Agreement" as defined in the General Terms and Conditions of Pipeline's FERC Gas Tariff, the provision of a termination notice by either Customer or Pipeline, pursuant to the preceding paragraph, a notice of partial reduction in MDQ pursuant to Exhibit D (but only for the quantity of the reduction) or the expiration of this Service Agreement by its own terms triggers Customer's right of first refusal under Section 3.6 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 3.4(F) of the General Terms and Conditions of Pipeline's FERC Gas Tariff, the previous paragraph will be replaced with the following language: "This Service Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of Pipeline's FERC Gas Tariff."]

This Service Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by Section 19 of the General Terms and Conditions of Pipeline's FERC Gas Tariff shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed as part of Pipeline's FERC Gas Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's FERC Gas Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Notwithstanding the foregoing, Customer does not agree that Pipeline shall have the unilateral right without the consent of Customer subsequent to the execution of this Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ, the term of the Service Agreement, the Primary Point(s) of Receipt, the Primary Point(s) of Delivery, or the firm character of the service hereunder. Nothing contained herein shall be construed to deny Customer 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 such changes in whole or in part.
5. All Gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept Gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Customer shall pay all costs associated with processing of such Gas as necessary to comply with such quality specifications.
6. Unless otherwise required in Pipeline's FERC Gas Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:
7. The interpretation and performance of this Service 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.
8. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the Service Agreement(s) between the parties hereto as described below:

[None or an appropriate description]

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

CUSTOMER: _____

NEXUS Gas Transmission, LLC.
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE LFT-1
(continued)

EXHIBIT A, PRIMARY POINTS OF RECEIPT AND TRANSPORTATION PATH,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE LFT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit A Effective Date: _____

(1) Customer's Primary Point(s) of Receipt

<u>Primary Point of Receipt</u>	<u>Description</u>	<u>Maximum Daily Receipt Obligation (plus Applicable Shrinkage)</u>
---------------------------------	--------------------	---

(2) Transportation Path

<u>Transportation Path</u>	<u>Transportation Path Quantity</u>
----------------------------	-------------------------------------

[Notice: Additional information may be included where the Transportation Path cannot be clearly identified from the MDRO and the Transportation Path set forth on Exhibit A to Customer's LFT-1 Service Agreement and/or the MDDO set forth on Exhibit B to Customer's LFT-1 Service Agreement.]

[Notice: ***In the event that Customer and Pipeline have agreed that the receipt of Customer's Gas from Customer will be accomplished by displacement at a Primary Point of Receipt listed above, the Primary Point of Receipt will be identified with an "*" and the following language will be included in Exhibit A to Customer's service agreement:*** "Receipts at (enter the information for the applicable Primary Point of Receipt) shall be by displacement and if displacement is not available, by physical flow, if possible, subject to the agreement of (enter the name of the interconnected party and an appropriate abbreviation) to the delivery of such volumes. Arrangements for deliveries by (enter the abbreviation for the interconnected party) shall be the sole responsibility of Customer."]

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit A Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE LFT-1
(continued)

EXHIBIT B, PRIMARY POINTS OF DELIVERY,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE LFT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit B Effective Date: _____

<u>Primary Point of Delivery</u>	<u>Description</u>	<u>Maximum Daily Delivery Obligation</u>	<u>Minimum Delivery Pressure</u>
----------------------------------	--------------------	--	----------------------------------

[Notice: ***In the event that Customer and Pipeline have agreed that the delivery of Customer's Gas to Customer will be accomplished by displacement at a Primary Point of Delivery listed above, the Primary Point of Delivery will be identified with an "*" and the following language will be included in Exhibit B to Customer's service agreement:*** "Deliveries at (enter the information for the applicable Primary Point of Delivery) shall be by displacement and if displacement is not available, by physical flow, if possible, subject to the agreement of (enter the name of the interconnected party and an appropriate abbreviation) to the receipt of such volumes. Arrangements for receipts by (enter the abbreviation for the interconnected party) shall be the sole responsibility of Customer."]

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit B Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE LFT-1
(continued)

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY
AND ZONE BOUNDARY EXIT QUANTITY,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE LFT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit C Effective Date: _____

Zone Boundary Entry Quantity (Dth/D)

	Supply Zone	<u>To</u> Market Zone 1	Market Zone 2
<u>From</u> Supply Zone			
Market Zone 1			
Market Zone 2			

Zone Boundary Exit Quantity (Dth/D)

	Supply Zone	<u>To</u> Market Zone 1	Market Zone 2
<u>From</u> Supply Zone			
Market Zone 1			
Market Zone 2			

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit C Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE LFT-1
(continued)

EXHIBIT D, TRANSPORTATION QUANTITIES,
DATED _____

TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE LFT-1
BETWEEN NEXUS GAS TRANSMISSION, LLC
AND _____ ("CUSTOMER")
DATED _____

Exhibit D Effective Date: _____

MAXIMUM DAILY QUANTITY (MDQ): _____ Dth
Dth Period

Days On Which Pipeline May Interrupt Service ("Limited Days")

Pipeline shall have the right to interrupt service hereunder in whole or in part for up to _____ Days per _____ [insert month or year, as applicable], on a consecutive or non-consecutive basis.

[In the event that Customer and Pipeline have agreed that the stated number of Limited Days will be applicable for the entire term of the LFT-1 Service Agreement, the previous paragraph will be replaced with the following language: "Pipeline shall have the right to interrupt service hereunder in whole or in part for up to _____ Days during the term of the LFT-1 Service Agreement, on a consecutive or non-consecutive basis."]

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's Maximum Daily Quantity by _____ Dth as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire Service Agreement] year(s) prior written notice to Pipeline.

Pipeline and Customer agree that, if this Service Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's MDQ is in addition to and not in lieu of any ROFR right to reduce Customer's MDQ on a non-geographic basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's MDQ is subject to the ROFR procedures specified in the General Terms and Conditions of Pipeline's FERC Gas Tariff and Customer may retain the balance of the MDQ without being subject to the ROFR procedures.

Signed for Identification

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Customer: _____

Supersedes Exhibit D Dated _____

FORMS OF SERVICE AGREEMENT
FOR INTERRUPTIBLE TRANSPORTATION SERVICES
INDEX

Description/Title

2.1 Form of Service Agreement for Rate Schedule IT-1

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT-1**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Service Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Service Agreement, and/or to describe or define the facilities necessary to provide service under the Service Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule IT-1 and the General Terms and Conditions of Pipeline's FERC Gas 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 Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement: "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. Maximum Daily Quantity (MDQ) _____ Dth
3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Service Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a term ending on and including _____ [or, when applicable, shall continue for a term of _____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless and until terminated by Pipeline or Customer upon prior written notice of at least _____.

This Service Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by Section 19 of the General Terms and Conditions of Pipeline's FERC Gas Tariff shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed as part of Pipeline's FERC Gas Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's FERC Gas Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer 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.
5. The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver Gas shall be specified on Pipeline's Master Location List as such list is revised and published by Pipeline from time to time.
6. All Gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept Gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Customer shall pay all costs associated with processing of such Natural Gas as necessary to comply with such quality specifications.
7. Unless otherwise required in Pipeline's FERC Gas Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

8. The interpretation and performance of this Service 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.
9. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the Service Agreement(s) between the parties hereto as described below:

[None or an appropriate description]

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

CUSTOMER: _____

NEXUS Gas Transmission, LLC.
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____

By: _____
Name: _____
Title: _____

FORMS OF SERVICE AGREEMENT
FOR AGGREGATION AND BALANCING SERVICES
INDEX

Description/Title

- 3.1 Form of Service Agreement for Rate Schedule TABS
- 3.2 Form of Service Agreement for Rate Schedule PAL

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE TABS**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This Service Agreement is entered into by and between NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company ("Pipeline") and _____ ("TABS Party").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Service Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Service Agreement, and/or to describe or define the facilities necessary to provide service under the Service Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall permit TABS Party to take service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule TABS and the General Terms and Conditions of Pipeline's FERC Gas Tariff, which are incorporated herein by reference and made a part hereof.
2. Pipeline and TABS Party agree that service hereunder shall be provided at the TABS Points specified in Pipeline's Rate Schedule TABS.
3. This Service Agreement shall be effective on _____ and shall continue for a term ending on and including _____ ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or TABS Party upon _____ prior written notice to the other specifying a termination date of any _____ occurring on or after the expiration of the Primary Term.

This Service Agreement may be terminated at any time by Pipeline in the event TABS Party fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to TABS Party of such termination and provided further such termination shall not be effective if, prior to the date of termination, TABS Party either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a Negotiated Rate to which TABS Party and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed as part of Pipeline's FERC Gas Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's FERC Gas Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein

shall be construed to deny TABS Party 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.

5. All Natural Gas tendered to Pipeline for TABS Party's account shall conform to the quality specifications set forth in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. TABS Party agrees that in the event TABS Party tenders for service hereunder and Pipeline agrees to accept Natural Gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Customer shall pay all costs associated with processing of such Natural Gas as necessary to comply with such quality specifications.
6. Unless otherwise required in Pipeline's FERC Gas Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. TABS Party or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

TABS Party:

7. The interpretation and performance of this Service 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.
8. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the Service Agreement(s) between the parties hereto as described below:

[None or an appropriate description]

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

TABS
PARTY: _____

NEXUS Gas Transmission, LLC.
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____

By: _____
Name: _____
Title: _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE PAL**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Service Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Service Agreement, and/or to describe or define the facilities necessary to provide service under the Service Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule PAL and the General Terms and Conditions of Pipeline's FERC Gas Tariff, which are incorporated herein by reference and made a part hereof.
2. Customer shall initiate a request for each park or loan service transaction by executing and delivering to Pipeline one or more Exhibit(s) A, which will set forth the specific details of each park and loan transaction. Upon execution by Pipeline, Customer's Exhibit(s) A shall be incorporated in and made a part hereof.
3. This Service Agreement shall be effective on _____ and shall continue for a term ending on and including _____ ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless terminated by either party by written notice _____ prior to the end of the Primary Term or any successive term thereafter.

This Service Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. Any portions of this Service Agreement necessary to correct or resolve a Park Balance or a Loan Balance, as such terms are defined in Sections 2.2 and 2.3 of Rate Schedule PAL, under this Service Agreement as required by Rate Schedule PAL and/or the General Terms and Conditions of Pipeline's FERC Gas Tariff shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed as part of Pipeline's FERC Gas Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and

General Terms and Conditions of Pipeline's FERC Gas Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer 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.

5. All Gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept Gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 8 of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Customer shall pay all costs associated with processing of such Gas as necessary to comply with such quality specifications.
6. Unless otherwise required in Pipeline's FERC Gas Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

7. The interpretation and performance of this Service 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.
8. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the Service Agreement (s) between the parties hereto as described below:

[None or an appropriate description]

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

CUSTOMER: _____

NEXUS Gas Transmission, LLC.
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE PAL
(continued)

NEXUS GAS TRANSMISSION, LLC
PARK AND LOAN (PAL) AGREEMENT
DATED _____

EXHIBIT A-___ DATED _____

Exhibit A-__ Effective Date: _____

PIPELINE: NEXUS Gas Transmission, LLC
5400 Westheimer Court
Houston, Texas 77056-5310

Attention: Spectra Energy Transmission Marketing Department

CUSTOMER: _____

Transporter and Shipper agree, pursuant to the referenced PAL Service Agreement, to a PAL Transaction under the following terms:

PAL Point(s) of Transaction (for park service and/or loan returns) _____

PAL Point(s) of Transaction (for loan service and/or park returns) _____

<u>Begin</u> <u>Date(s)</u>	<u>End</u> <u>Date(s)</u>	Maximum Daily PAL Injection Quantity <u>(Dth)</u>	Maximum Daily PAL Withdrawal Quantity <u>(Dth)</u>	Maximum Park Quantity <u>(Dth)</u>	Maximum Loan Quantity <u>(Dth)</u>
--------------------------------	------------------------------	---	--	---	---

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

CUSTOMER: _____

By _____

MISCELLANEOUS FORMS OF SERVICE AGREEMENT
INDEX

Description/Title

- 4.1 Capacity Release Umbrella Agreement
- 4.2 Multiple Shipper Option Agreement
- 4.3 LINK® System Agreement

**FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT-1 AND LFT-1**

This Capacity Release Umbrella Agreement, made and entered into this ____ day of _____, by and between _____ (herein called "Replacement Customer"), and NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company (herein called "Pipeline"),

WITNESSETH:

WHEREAS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and Pipeline hereby agree as follows:

**ARTICLE I
SCOPE OF AGREEMENT**

This Capacity Release Umbrella Agreement is in all respects subject to and governed by Rate Schedules FT-1 and LFT-1 and the General Terms and Conditions of Pipeline's FERC Gas Tariff ("Tariff") as such Rate Schedules and General Terms and Conditions may be modified from time to time, and such are incorporated by reference. In the event that language of this Capacity Release Umbrella Agreement or any Exhibit conflicts with Pipeline's Tariff, the language of Pipeline's Tariff will control.

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Customer to be on Pipeline's approved bidder list for capacity releases and execute this Capacity Release Umbrella Agreement pursuant to Section 5.8 of the General Terms and Conditions, and this Capacity Release Umbrella Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedules FT-1 and LFT-1 pursuant to the procedure set forth in Section 5.9 of the General Terms and Conditions. If at any time a bid submitted by Replacement Customer is accepted by Pipeline with respect to a given capacity release, Pipeline will promptly finalize by means of Pipeline's LINK® System the appropriate Addendum to this Capacity Release Umbrella Agreement, in the format attached hereto. An Addendum shall be deemed to be an executed Service Agreement under the Rate Schedule designated therein, subject to the terms and conditions of the Rate Schedule, the Form of Service Agreement applicable to such Rate Schedule, and the General Terms and Conditions of Pipeline's Tariff. The parties agree that each Addendum is an integral part of this Capacity Release Umbrella Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Customer and Pipeline agree that Replacement Customer shall be considered for all purposes as a Customer with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedules FT-1 and LFT-1, Pipeline agrees to provide the applicable released service for Replacement Customer under the applicable Rate Schedule, provided however, the Replacement Customer qualified under the financial evaluation and credit appraisal requirements set forth in Section 4 of the General Terms and Conditions at the time it submitted the bid Pipeline accepted with respect to such release.

Replacement Customer hereby agrees to promptly provide any information necessary for Pipeline to reevaluate Pipeline's credit appraisal as contemplated by Section 4 of the General Terms and Conditions and to advise Pipeline of any material change in the information previously provided by the Replacement Customer to Pipeline.

ARTICLE II TERM OF AGREEMENT

The term of this Capacity Release Umbrella Agreement shall commence on _____ and shall continue in force and effect until _____ and _____ to _____ thereafter unless this Capacity Release Umbrella Agreement is terminated as hereinafter provided. If Pipeline determines at any time that Replacement Customer fails to meet the financial standards or credit criteria of Section 4 of the General Terms and Conditions, Pipeline may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Section 4 of the General Terms and Conditions.

ARTICLE III RATE SCHEDULE

This Capacity Release Umbrella Agreement does not have separate terms and conditions for particular services, but only provides a means for a Replacement Customer to utilize a service subject to the applicable provisions of the relevant Service Agreement and the terms and conditions for Rate Schedule FT-1 or LFT-1, as applicable, by finalization of a copy of an Addendum FT-1 or LFT-1, as applicable, attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.

Replacement Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to this Capacity Release Umbrella Agreement (b) the terms and conditions of this Umbrella Service Agreement, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to this Capacity Release Umbrella Agreement. Pipeline agrees that the Replacement Customer may protest or contest the aforementioned filings, unless the Replacement Customer has otherwise agreed not to protest or contest any or all of the aforementioned filings, and the Replacement Customer does not waive any rights it may have with respect to such filings.

ARTICLE IV ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's Tariff, any notice, request, demand, statement, invoice or payment provided for in this Capacity Release Umbrella Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline:

(b) Replacement Customer:

or such other address as either party shall designate by formal written notice.

ARTICLE V INTERPRETATION

The interpretation and performance of this Capacity Release Umbrella Agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws.

This Capacity Release Umbrella Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE VI
RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER
AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay Pipeline, fails to timely pay Pipeline, or otherwise breaches this Agreement with Pipeline: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 5.13(A) of the General Terms and Conditions and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to Pipeline for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay Pipeline in accordance with its Service Agreements with Pipeline) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay Pipeline or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

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

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By _____
Name: _____
Title: _____

By _____

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT-1 AND LFT-1
(continued)

Deal No.: _____
NEXUS Gas Transmission, LLC Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No. _____
Capacity Release Rate Schedule _____

Replacement Customer: _____
Releasing Customer: _____

Releasing Customer's Service Agreement No.: _____

Begin Date of Release: _____

End Date of Release: _____

Rates (U.S. \$): [Volumetric or Reservation]

	Supply Zone	Market Zone 1	Market Zone 2
Reservation Charge	\$ _____	\$ _____	\$ _____

Surcharges (excluding usage-based surcharges):

<u>Description</u>	<u>Rate</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

Volume Commitment (Dth/Monthly Billing Period)

Maximum Daily Quantity (MDQ): _____ (Dth)

Billable Quantities:

<u>From</u>	<u>To</u>	<u>Quantity</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF SERVICE AGREEMENT FOR
 CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT-1 AND LFT-1
 (continued)

Addendum No. ___ (Con't)
 Capacity Release
 Rate Schedule ___

Capacity Rights:

(1) Path:

From Point: _____

To Point: _____

(2) Detail:

<u>Zone</u>	<u>Location Description</u>	<u>Entitlements (Dth/D)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(3) Zone Boundary Entry and Exit Quantities (Dth/D):

Supply Zone/Market Zone 1 Exit _____

Supply Zone/Market Zone 1 Entry _____

Market Zone 1/Market Zone 2 Exit _____

Market Zone 1/Market Zone 2 Entry _____

Primary Point(s) of Receipt:

Receipt Point	MDRO	Effective From	Effective To
---------------	------	----------------	--------------

Primary Point(s) of Delivery:

Delivery Point	MDDO	Effective From	Effective To
----------------	------	----------------	--------------

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT-1 AND LFT-1
(continued)

Addendum No. ___ (Con't)
Capacity Release
Rate Schedule ___

Is this capacity subject to right of recall? Yes ___ No ___

Recall Conditions (if applicable):

Are there any restrictions on released capacity? Yes ___ No ___

Restrictions (if applicable):

Was NEXUS Gas Transmission, LLC's default bid evaluation criteria used? Yes ___ No ___

Evaluation Criteria (if applicable):

Were contingent bids accepted? Yes ___ No ___

Contingency comments (if applicable):

Other Terms and Conditions of Release: [e.g., restrictions on release, third party agent and terms of third party agency relationship, and agreements between Replacement Customer and Releasing Customer]

This Addendum, entered into, pursuant to NEXUS Gas Transmission, LLC's capacity release program and to the executed Capacity Release Umbrella Agreement between NEXUS Gas Transmission, LLC. and the Replacement Customer, is heretofore made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

**FORM OF SERVICE AGREEMENT FOR
MULTIPLE SHIPPER OPTION AGREEMENT**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This Multiple Shipper Option Agreement ("MSOA") is entered into effective as of _____, 20__ ("Effective Date") by and among NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company (herein called "Pipeline"), [names], individually and collectively, "Principals" and [name], "Administrator". Each of the Principals and the Administrator may hereinafter be referred to as a "Party" or collectively, as "the Parties."

WHEREAS, each of the Principals and the Administrator are LINK® System Subscribers in accordance with the General Terms and Conditions of Pipeline's FERC Gas Tariff; and

WHEREAS, each of the Principals desire to appoint Administrator as its agent to enter into a Service Agreement with Pipeline as though such Administrator were such Principal.

NOW THEREFORE in consideration of the mutual benefits, covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties hereto agree as follows:

1. Each of the Principals hereby:

- (a) appoints Administrator as its agent from and after the Effective Date to enter into a single Service Agreement with Pipeline in which the Principals shall be treated collectively as one Customer for contracting, capacity release, scheduling, nomination, allocation and billing purposes;
- (b) represents and warrants that it has the power and authority to appoint Administrator as its agent and to cause Administrator to enter into the Service Agreement on its behalf;
- (c) represents and warrants that Pipeline shall be entitled to rely solely on the Administrator as being the "Customer" for all purposes under the Service Agreement, including without limitation, the unilateral right to amend, extend or terminate the Service Agreement, without liability to Pipeline for its reliance thereon;
- (d) agrees to indemnify and hold Pipeline harmless from any third party claims attributable to Pipeline's reliance on Administrator's instruction pursuant to this MSOA;
- (e) represents and warrants that it will meet the "shipper must have title" requirements as set forth in Section 31 of the General Terms and Conditions of Pipeline's FERC Gas Tariff for all service provided to it under the Service Agreement; and
- (f) represents, warrants, and agrees that it is jointly and severally liable for the obligations of all Principals under the Service Agreement while the Principal is a party under this MSOA.

2. Administrator hereby:

- (a) accepts the appointment as agent and covenants and agrees with each of the Principals that from and after the Effective Date, it will be bound by the terms and conditions of the Service Agreement, and will observe and perform the covenants and agreements of the Service Agreement;

- (b) represents and warrants that it has the power and authority to accept the appointment as agent for the Service Agreement on behalf of each of the Principals;
 - (c) agrees to indemnify and hold Pipeline harmless from any third party claims attributable to Pipeline's reliance on Administrator's instruction pursuant to this MSOA; and
 - (d) agrees to remain Administrator for so long as the Service Agreement is in effect.
3. Credit support in an amount to be determined pursuant to Pipeline's FERC Gas Tariff for the total contractual quantity under the Service Agreement shall be provided to Pipeline prior to the effective date of such Service Agreement or of any amendment thereto which increases the contractual entitlements. The collateral must be provided by any one or a combination of the Principals (which entity or entities providing such collateral may change during the term of the Service Agreement) and will be adjusted in the event of an amendment to the Service Agreement that results in an increase or decrease in the required credit support.
 4. Each Principal acknowledges and agrees that it is a Principal under the Service Agreement that includes multiple Principals and that Pipeline is entitled to rely solely on the Administrator's representation regarding the allocation of rights and obligations among the Principals under the Service Agreement, even if the representation is inconsistent with the position of one or more of the Principals. Each Principal releases Pipeline from any and all claims, disputes, liability or causes of action it may have arising out of or related to such relationship, Pipeline needing only to look to Administrator for all purposes under the Service Agreement.
 5. This MSOA may not be assigned. This MSOA shall remain in effect for so long as the Service Agreement is in effect, including any amendments thereto; provided that the provisions of Section 1(d) and 1(f) above shall survive termination of this MSOA; and, provided further, that in the event a Service Agreement using this MSOA has not been executed by Administrator within six months of the Effective Date, this MSOA shall automatically terminate and have no further force and effect.
 6. A Principal, who is not the Administrator, may be removed from or added to this MSOA through an amendment executed by such Principal, the remaining Principals, any new Principal and the Administrator, the execution of which may not be unreasonably withheld, delayed, or conditioned. No such amendment to the MSOA shall be binding on Pipeline until the amended MSOA is executed by such Principal, the Administrator and the remaining Principals along with any new Principal and in the event such change in Principals impacts the credit support required by Paragraph 3 above, such requirements have been satisfied. In the event the MSOA is amended to remove a Principal ("Removed Principal"), the MSOA shall terminate as to any Removed Principal upon the effective date of an amended MSOA as set forth hereinabove; provided however, such Removed Principal shall remain liable for any obligations, claims or liability under the Service Agreement regardless of when brought, the event giving rise to which occurred prior the effective date of such replacement MSOA.
 7. This MSOA may be executed in multiple counterparts and, when each Party has executed and delivered a counterpart, all counterparts together shall constitute one agreement.

IN WITNESS WHEREOF the Parties hereto have executed and delivered this MSOA as of the date first above written.

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Principal

By: _____
Name: _____

Acceptance by Administrator

By: _____
Name: _____

[add additional signature lines for Principals and/or Removed Principals, when applicable, as necessary]

**FORM OF SERVICE AGREEMENT
FOR THE LINK® SYSTEM**

This LINK® System Agreement, executed this ___ day of _____, _____, by and between _____ (Service Requester Proprietary Number _____) (hereafter referred to as "LINK® System Subscriber"), and NEXUS Gas Transmission, LLC, a Delaware Limited Liability Company (hereafter referred to as "Pipeline"), witnesseth that for and in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, LINK® System Subscriber and Pipeline do hereby agree as follows:

**ARTICLE I
SCOPE OF AGREEMENT**

- a. Pipeline shall make available for use by LINK® System Subscriber Pipeline's computerized electronic communication system, the LINK® Customer Interface System ("LINK® System"), to perform such functions as may be available on the LINK® System from time to time.
- b. Use of the LINK® System is subject to the General Terms and Conditions, as well as the provisions of any Rate Schedule and Service Agreement, as set forth in Pipeline's currently effective FERC Gas Tariff, as effective from time to time, and which are hereby incorporated by reference.
- c. LINK® System Subscriber agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and to make changes effective in (a) the rates and charges applicable to service pursuant to this LINK® System Agreement; and (b) any provision of Pipeline's FERC Gas Tariff related to this LINK® System Agreement. Pipeline agrees that LINK® System Subscriber may protest or contest the aforementioned filings, and LINK® System Subscriber does not waive any rights it may have with respect to such filings.

**ARTICLE II
TERM**

The term of this LINK® System Agreement shall commence on the date of execution hereof and shall continue in full force and effect on a month to month basis until terminated by Pipeline or LINK® System Subscriber, with thirty days prior written notice of such termination.

**ARTICLE III
ADDRESSES**

Except as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment pursuant to this LINK® System Agreement shall be in writing and shall be considered as duly delivered when received on-line via the LINK® System, or when received as registered, certified, or regular mail at the address of the parties hereto, as the case may be, as follows:

- (a) Pipeline: Spectra Energy Transmission
Attn: LINK® Services, Room WO 3I-32
5400 Westheimer Court
P.O. Box 1642
Houston, TX 77251-1642

(b) LINK® System Subscriber:

[The address LINK® System Subscriber shall designate by submitting the on-line Contact Information as discussed in the Electronic Communications section of the General Terms and Conditions of the relevant Pipeline's tariff.]

ARTICLE IV
INTERPRETATION

The interpretation and performance of this LINK® System Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflicts of law.

This LINK® System Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter hereof, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE V
AGREEMENTS BEING SUPERSEDED

When this LINK® System Agreement becomes effective, it shall supersede any LINK® System Agreement(s) between the parties hereto with an earlier execution date.

IN WITNESS WHEREOF, the parties hereto have caused this LINK® System Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

NEXUS Gas Transmission, LLC
By: Spectra Energy NEXUS Management, LLC,
in its capacity as Operator

By: _____
Name: _____
Title: _____

Signature

LINK® System Subscriber

By: _____
Title: _____

Signature

PART 8 - INDEX OF FIRM CUSTOMERS

In accordance with Section 284.13(c) of the Commission's Regulations, Pipeline maintains an index of firm Customers on its Internet Web Site in a downloadable format.

Index

Tariff Original Volume No. 1

Part 1 Table of Contents

Part 2 Preliminary Statement

Part 3 Maps

Part 4 Statements of Rates

1. Firm Transportation Rate Schedules

1.1 Statement of Rates for Rate Schedule FT-1

1.2 Statement of Rates for Rate Schedule LFT-1

2. Interruptible Transportation Rate Schedules

2.1 Statement of Rates for Rate Schedule IT-1

3. Aggregation and Balancing Services

3.1 Statement of Rates for Rate Schedule PAL

4. Percentages for Applicable Shrinkage

Part 5 Rate Schedules

1. Firm Transportation

1.1 Rate Schedule FT-1

1.2 Rate Schedule LFT-1

2. Interruptible Transportation

2.1 Rate Schedule IT-1

3. Aggregation and Balancing

3.1 Rate Schedule TABS

3.2 Rate Schedule PAL

Part 6 General Terms and Conditions

1. Definitions

2. Electronic Communication

3. Contracting for Service

4. Credit Evaluation

5. Capacity Release

6. Points of Receipt and Points of Delivery

7. Segmentation of Capacity

8. Quality of Gas

**NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff**

- 9. Receipt and Delivery Pressures**
- 10. Measurement and Measurement Equipment**
- 11. Nominations**
- 12. Scheduling of Nominations**
- 13. Curtailment**
- 14. Action Alerts and Operational Flow Orders**
- 15. Force Majeure**
- 16. Reservation Charge Credit**
- 17. Determination of Receipts and Deliveries**
- 18. Operational Balancing Agreements**
- 19. Imbalance Resolution Procedures**
- 20. Billing and Payment**
- 21. Periodic Rate Adjustments**
- 22. Negotiated Rates**
- 23. Discount Terms**
- 24. Standards of Conduct Compliance Procedures**
- 25. Complaint Procedures**
- 26. Permitted Sharing of Non-Public Information**
- 27. North American Energy Standards Board**
- 28. Policy on Fees and Construction of New Facilities**
- 29. Termination for Default**
- 30. Possession of Gas**
- 31. Warranty of Title to Gas**
- 32. Non-discriminatory Waiver of Tariff Provisions**
- 33. Descriptive Headings**
- 34. Governmental Regulations**
- 35. Assignments**
- 36. Non-Recourse Obligation of LLC and Operator**
- 37. Non-Conforming Service Agreements**
- 38. Leased Capacity**
- 39. Off-System Pipeline Capacity**
- 40. Penalties and Penalty Crediting Mechanism**
- Part 7 Forms of Service Agreement**
- 1. Firm Transportation Services**
- 1.1 Form of Service Agreement for Rate Schedule FT-1**
- 1.1.1 Exhibit A to the FT-1 Service Agreement**

**NEXUS Gas Transmission, LLC
Original Volume No. 1
Tariff**

1.1.2 Exhibit B to the FT-1 Service Agreement

1.1.3 Exhibit C to the FT-1 Service Agreement

1.1.4 Exhibit D to the FT-1 Service Agreement

1.2 Form of Service Agreement For Rate Schedule LFT-1

1.2.1 Exhibit A to the LFT-1 Service Agreement

1.2.2 Exhibit B to the LFT-1 Service Agreement

1.2.3 Exhibit C to the LFT-1 Service Agreement

1.2.4 Exhibit D to the LFT-1 Service Agreement

2. Interruptible Transportation Services

2.1 Form of Service Agreement for Rate Schedule IT-1

3. Aggregation and Balancing Services

3.1 Form of Service Agreement for Rate Schedule TABS

3.2 Form of Service Agreement for Rate Schedule PAL

3.2.1 Exhibit A to the PAL Service Agreement

4. Miscellaneous Forms of Service Agreement

4.1 Capacity Release Umbrella Agreement

4.1.1 Addendum to the Capacity Release Umbrella Agreement

4.2 Multiple Shipper Option Agreement

4.3 LINK® System Agreement

Part 8 Index of Firm Customers