

FERC GAS TARIFF
FOURTH REVISED VOLUME NO. 1-A
OF
GAS TRANSMISSION NORTHWEST LLC
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
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TABLE OF CONTENTS

Description	Section No.
Table of Contents	1
Preliminary Statement.....	2
System Map.....	3
Statement of Rates	
FTS-1, LFS-1, and FHS Rates	4.1
ITS-1 and IHS Rates	4.2
Footnotes to Statement of Effective Rates and Charges	4.3
Reserved For Future Use.....	4.4
Parking and Lending Service	4.5
Negotiated Rate Agreements - FTS-1 and LFS-1	4.6
Footnotes for Negotiated Rates - FTS-1 and LFS-1	4.7
Negotiated Rate Agreements - ITS-1 and PAL.....	4.8
Footnotes for Negotiated Rates - ITS-1 and PAL	4.9
Non-Conforming Service Agreement	4.10
Rate Schedules	
FTS-1 (Firm Transportation Service).....	5.1
LFS-1 (Limited Firm Transportation Service).....	5.2
ITS-1 (Interruptible Transportation Service)	5.3
USS-1 (Unbundled Sales Service).....	5.4
PAL (Parking and Lending Service)	5.5

FHS (Firm Hourly Service).....	5.6
IHS (Interruptible Hourly Service).....	5.7
Transportation General Terms and Conditions	
Definitions.....	6.1
Equality of Transportation Service	6.2
Quality of Gas	6.3
Measuring Equipment	6.4
Measurements.....	6.5
Inspection of Equipment and Records	6.6
Billing.....	6.7
Payment.....	6.8
Notice of Changes in Operating Conditions	6.9
Force Majeure	6.10
Warranty of Eligibility for Transportation.....	6.11
Possession of Gas and Responsibility	6.12
Indemnification	6.13
Arbitration	6.14
Governmental Regulations.....	6.15
Miscellaneous Provision	6.16
Transportation Service Agreement.....	6.17
Operating Provisions.....	6.18
Priority of Service, Scheduling and Nominations.....	6.19
Curtailment.....	6.20
Balancing.....	6.21
Annual Charge Adjustment (ACA) Provision	6.22
Informational Postings	6.23
Complaint Procedures	6.24
Information Concerning Availability and Pricing of Transportation Service and Capacity Available for Transportation	6.25
Market Centers	6.26
Planned GTN Capacity Curtailments and Interruptions	6.27
Capacity Release	6.28
Flexible Receipt and Delivery Points.....	6.29
Operational Flow Order (OFO) Procedures	6.30
Negotiated Rates	6.31
Reservation of Capacity for Expansion Projects.....	6.32
Right of First Refusal (ROFR) Upon Termination of Firm Service Agreement	6.33
Electronic Communications	6.34
Reserved for Future Use.....	6.35
Reserved for Future Use	6.36
Discount Policy	6.37

Adjustment Mechanism for Fuel, Line Loss and Other Unaccounted	
For Gas Percentages	6.38
Reserved for Future Use	6.39
Sales of Excess Gas.....	6.40
Gas Industry Standards.....	6.41
Pressure Commitments.....	6.42
Pressure at Point(s) of Receipt and Delivery	6.43
Form of Service Agreements	
FTS-1 (Firm Transportation Service)	7.1
ITS-1 and IHS (Interruptible Rate Schedules)	7.2
PAL (Parking and Lending Service)	7.3
FHS (Rate Schedule FHS)	7.4
LFS-1 (Limited Firm Transportation Service).....	7.5
Reserved For Future Use.....	7.6
MSA (Master Service Agreement - Daily Firm, FTS-1).....	7.7
Non-Conforming Agreements	
El Paso Ruby Holding Company, LLC FTS-1 Agmt (#12071).....	8.1
Non-Conforming Agreements with Negotiated Rates	
Portland General Electric Company FTS-1 Agmt (#17293).....	9.1

PRELIMINARY STATEMENT

Gas Transmission Northwest LLC (GTN) is a natural gas company which owns and operates a natural gas pipeline system extending from the International Boundary in the vicinity of Kingsgate, British Columbia, through parts of Idaho, Washington and Oregon to the California boundary.

GTN offers open access transportation service under Part 284 of the Commission's regulations in Fourth Revised Volume No. 1-A of this FERC Gas Tariff. These services include transportation services authorized by the Federal Energy Regulatory Commission as listed in the Table of Contents.

Prior to January 1, 1998, GTN was known as "Pacific Gas Transmission Company" or "PGT." References to Pacific Gas Transmission Company or PGT within GTN's existing Service Agreements or similar documents shall be deemed to refer to GTN.

The transportation of natural gas is undertaken by GTN only under written service agreements acceptable to GTN after consideration of its commitments, delivery capacity, and other pertinent factors.

This FERC Gas Tariff is filed in compliance with Part 154, Subpart E, Title 18 of the Code of Federal Regulations.

The currently effective system map is available on GTN's Internet website at
<http://tcplus.com/GTN/systemmap>.

STATEMENT OF RATES

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

RESERVATION

	DAILY MILEAGE (a) (Dth-Mile)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min</u>
BASE	0.0003620	0.0000000	0.0286120	0.0000000	0.0000160	0.0000160
STF (e)	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160

EXTENSION CHARGES

MEDFORD

E-1 (f)	0.0025110	0.0000000	0.0042230	0.0000000	0.0000260	0.0000260
E-2 (h) (Diamond 1)	0.0029720	0.0000000	---	---	0.0000000	0.0000000
E-2 (h) (Diamond 2)	0.0011660	0.0000000	---	---	0.0000000	0.0000000

COYOTE SPRINGS

E-3 (i)	0.0011670	0.0000000	0.0011680	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (p)	---	---	0.1514920	0.0000000	0.000000	0.0000000
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OVERRUN CHARGE (j)

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	RESERVATION (Dth-Mile)	COMMODITY (Dth-Mile)
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%

SURCHARGES

ACA (k)

For Rate Schedule FHS:

The Mainline and Extension Reservation rates shown above for Rate Schedules FTS-1 and LFS-1 shall also be applicable to service under Rate Schedule FHS, except that the Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 7 decimal places:

(a) Mileage Reservation Component = $FTS-1M \times \text{Miles} \times (24/HF)$

(b) Non-Mileage Reservation Component = $FTS-1NM \times (24/HF)$

where:

FTS-1M	=	Applicable FTS-1 Mileage Reservation Charge
FTS-1NM	=	Applicable FTS-1 Non-Mileage Reservation Charge
Miles	=	Distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery as set forth in Shipper’s Contract
HF	=	MDQ/MHQ

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160

EXTENSION CHARGES

MEDFORD

E-1 (Medford) (f)	0.0025110	0.0000000	0.0042230	0.0000000	0.0000260	0.0000260
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COYOTE SPRINGS

E-3 (Coyote Springs) (i)	0.0011670	0.0000000	0.0011680	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (Carty Lateral) (p)	---	---	0.1514920	0.0000000	0.0000000	0.0000000
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	RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
SURCHARGES		
ACA	(k)	

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160

EXTENSION CHARGES

MEDFORD

E-1 (Medford) (f)	0.0060260	0.0000000	0.0101350	0.0000000	0.0000260	0.0000260
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COYOTE SPRINGS

E-3 (Coyote Springs) (i)	0.0028010	0.0000000	0.0028030	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (Carty Lateral) (p)	---	---	0.3635810	0.0000000	0.0000000	0.0000000
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FUEL (d)

	RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%

SURCHARGES

ACA	(k)
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STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this Tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum currently effective rate set forth in Section 4.1 and Section 4.2 and the minimum rate of 0.0000% per Dth per mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedules FTS-1 and FHS (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedules ITS-1 and IHS. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve (12) month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate ITS-1 and IHS service are as follows (delivery charges and applicable surcharges continue to apply):

For STF and ITS-1:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0400570	\$0.0400570	\$0.0400570	\$0.0400570	\$0.0286120
Peak Mi. Res.	\$0.0005070	\$0.0005070	\$0.0005070	\$0.0005070	\$0.0003620
Off-Pk NM Res.	\$0.0228900	\$0.0247970	\$0.0263230	\$0.0275720	\$0.0286120
Off-Pk Mi. Res.	\$0.0002900	\$0.0003140	\$0.0003330	\$0.0003490	\$0.0003620

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0961370	\$0.0961370	\$0.0961370	\$0.0961370	\$0.0686690
Peak Mi. Res.	\$0.0012170	\$0.0012170	\$0.0012170	\$0.0012170	\$0.0008690
Off-Pk NM Res.	\$0.0549360	\$0.0595130	\$0.0631750	\$0.0661730	\$0.0686690
Off-Pk Mi. Res.	\$0.0006960	\$0.0007540	\$0.0007990	\$0.0008380	\$0.0008690

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use.
- (h) E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002972 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001166 per Dth per day for the second 45,000 Dth/d. During leap years, E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002964 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001163 per Dth per day for the second 45,000 Dth/d. Pursuant to Article VI, Subsections B and C of the Amended Stipulation and Agreement filed with the Commission on October 16, 2018, in Docket No. RP15-904-001, and as accepted by Order of the Commission dated November 30, 2018, the Diamond 1 and Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through December 31, 2019, and January 1, 2021 through December 31, 2021, the Diamond 1 reservation charge shall be \$0.002823 and the Diamond 2 reservation charge shall be \$0.001108; 2) from January 1, 2020, through December 31, 2020, the Diamond 1 reservation charge shall be \$0.002816 and the Diamond 2 reservation charge shall be \$0.001105.
- (i) Applicable to firm service on GTN's Coyote Springs Extension.

- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website (www.ferc.gov) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) Reserved for Future Use.
- (m) Reserved for Future Use.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

RESERVED FOR FUTURE USE

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Lending Service
(\$/Dth)

BASE TARIFF RATE
MINIMUM MAXIMUM

PAL Parking and Lending Service (a):	0.0	0.2043560/d
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Notes:

- (a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.2.2.

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Powerex Corp./1	04/01/16 - 10/31/16	FTS-1	20,000	Kingsgate	Malin	/5
Mercuria Commodities Canada Corporation /1	04/01/18 03/31/24	FTS-1	60,000	Kingsgate	Malin	/4
Avangrid Renewables, LLC /1	06/03/01 10/31/25	FTS-1	80,000	Medford	Klamath Cogeneration	/6
Seven Generations Energy (US) Corp.	06/01/20 05/31/35	FTS-1	66,020	Kingsgate	Malin	/8
CanNat Energy Inc	07/01/20 06/30/35	FTS-1	54,658	Kingsgate	Malin	/9
CIMA Energy, LP	07/01/20 06/30/36	FTS-1	5,000	Kingsgate	Malin	/9
Murphy Canada, Ltd.	07/01/20 06/30/35	FTS-1	52,760	Kingsgate	Malin	/9
ARC Resources Ltd.	07/01/20 06/30/35	FTS-1	23,000	Kingsgate	Malin	/9
Veren U.S. Corporation	07/01/20 03/31/36	FTS-1	7,600	Kingsgate	Malin	/10
Seven Generations Energy (US) Corp.	11/1/2019 10/31/2034	FTS-1	11,063	Kingsgate	Malin	/11
Intermountain Gas Company	11/01/20 05/31/35	FTS-1	15,109	Kingsgate	Malin	/12
Tourmaline Oil Marketing Corp.	03/17/23 03/16/57	FTS-1	100,000	Kingsgate	Malin	/13

NRG Business Marketing LLC /1	06/01/24 06/30/24	FTS-1	5,000	Kingsgate	Malin	/14
NRG Business Marketing LLC /1	06/01/24 06/30/24	FTS-1	5,000	Kingsgate	Malin	/15
Tourmaline Oil Marketing Corp. /1	07/17/24 Full in-service of GTNXP	FTS-1	17,000	Kingsgate	Malin	/16
Intermountain Gas Company /1	07/17/24 Full in-service of GTNXP	FTS-1	26,333	Kingsgate	Malin	/16
Cascade Natural Gas Corporation /1	07/17/24 Full in-service of GTNXP	FTS-1	6,667	Kingsgate	Malin	/16

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 a. GTN and Shipper have agreed to a fixed reservation reservation charge of \$.2565 along with applicable surcharges for all quantities on the Kingsgate to Malin path.
- b. Effective the earlier of January 1, 2022, or the termination of the Amended Settlement in Docket No. RP15-904-001, the Rate Reduction shall expire and the negotiated rate shall revert to \$.27 along with applicable surcharges for all quantities on the Kingsgate to Malin path.
- /5 GTN and Shipper have agreed to a Fixed Reservation Rate Charge of \$0.26300 inclusive of the mileage and non-mileage components, which shall be applicable to the Primary Receipt and Delivery Points as well as secondary points, as follows:
- Secondary Receipt Points: All points on GTN's system
Secondary Delivery Points: All points on GTN's system
- In addition, Shipper shall pay all applicable charges and surcharges in accordance with GTN's FERC Gas Tariff.
- /6 a. For the period January 1, 2019, to December 31, 2021, GTN and Shipper have agreed that the negotiated rate shall be \$0.085821 for the Monthly Reservation Charge for the Initial Quantity set forth in Exhibit B of the agreement, and \$0.033703 for the Monthly Reservation Charge for the Option Quantity set forth in Exhibit B of the agreement along with applicable surcharges.

b. Effective the earlier of January 1, 2022, or the termination of the Amended Settlement in Docket No. RP15-904-001, the rate reduction described in a., above, shall expire and the negotiated rate shall revert to \$0.090338 per dekatherm per mile for the Monthly Reservation Charge for the Initial Quantity set forth in Exhibit B of the agreement, and \$0.035477 for the Monthly Reservation Charge for the Option Quantity set forth in Exhibit B of the agreement along with applicable surcharges.

- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ * Effective Period %)] * 100% Load Factor Equivalent FTS-1 E-2

- /8 Effective November 1, 2020 continuing until May 31, 2035, GTN and Shipper have agreed to a fixed reservation charge of \$0.2500 along with applicable surcharges for all quantities on the Kingsgate to Malin path.
- /9 a. GTN and Shipper have agreed to a fixed reservation charge of \$0.2375 along with applicable surcharges for all quantities on the Kingsgate to Malin path.
- b. Effective the earlier of January 1, 2022, or the termination of the Amended Settlement in Docket No. RP15-904-001, the negotiated rate for all quantities on the Kingsgate to Malin path shall be a fixed Reservation Charge of \$0.2500 along with applicable surcharges.
- /10 a. GTN and Shipper have agreed to a fixed Reservation Charge of \$0.2470 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

b. Effective the earlier of January 1, 2022, or the termination of the Amended Settlement in Docket No. RP15-904-001, the negotiated rate for all quantities on the Kingsgate to Malin path shall be a fixed Reservation Charge of \$0.2600 along with applicable surcharges.

/11 a. Effective November 1, 2019 continuing until December 31, 2021, GTN and Shipper have agreed to a fixed reservation charge of \$0.2375 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

b. Effective the earlier of January 1, 2022, or the termination of the Amended Settlement in Docket No. RP15-904-001, the negotiated rate for all quantities on the Kingsgate to Malin path shall be a fixed Reservation Charge of \$0.2500 along with applicable surcharges.

/12 a. Effective November 1, 2020 continuing until December 31, 2021, GTN and Shipper have agreed to a fixed reservation charge of \$0.2375 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

b. Effective January 1, 2022 and continuing until May 31, 2035, the negotiated rate for all quantities on the Kingsgate to Malin path shall be a fixed Reservation Charge of \$0.2500 along with applicable surcharges.

/13 Effective March 17, 2023 and continuing until March 16, 2057, GTN and Shipper have agreed to a fixed reservation charge of \$0.2800 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

/14 Effective June 1, 2024 and continuing until June 30, 2024, GTN and Shipper have agreed to a fixed reservation charge of \$0.35000 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

/15 Effective June 1, 2024 and continuing until June 30, 2024, GTN and Shipper have agreed to a fixed reservation charge of \$0.40000 along with applicable surcharges for all quantities on the Kingsgate to Malin path.

/16 Effective July 17, 2024, GTN and Shipper have agreed that Shipper shall pay a Negotiated Daily Demand Rate equal to \$0.31 per dekatherm along with the maximum applicable system commodity rate and all applicable maximum reservation and commodity surcharges.

/17 Reserved

/18 Reserved

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE ITS-1 AND PAL

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
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STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE ITS-1 AND PAL

Explanatory Footnotes for Negotiated Rates under Rate Schedule ITS-1 and PAL

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Mileage and Non-Mileage Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.

NON-CONFORMING SERVICE AGREEMENTS
PURSUANT TO § 154.112(b)

Name of Shipper	Contract Number	Rate Schedule	Effective Date	Termination Date
Cascade Natural Gas Corporation	152	FTS-1	11/1/1993	10/31/2023
Chevron USA Inc.	153	FTS-1	11/1/1993	10/31/2023
City of Burbank	154	FTS-1	11/1/1993	10/31/2023
IGI Resources, Inc.	158	FTS-1	11/1/1993	10/31/2013
Northern California Power Agency	163	FTS-1	11/1/1993	10/31/2023
Talisman Energy Inc	167	FTS-1	11/1/1993	10/31/2023
Paramount Resources US Inc.	168	FTS-1	11/1/1993	10/31/2023
Petro-Canada Hydrocarbons, Inc.	169	FTS-1	11/1/1993	10/31/2023
Sacramento Municipal Utility District	170	FTS-1	11/1/1993	10/31/2023
Avista Corporation	177	FTS-1	11/1/1993	10/31/2023
Avista Corporation	178	FTS-1	11/1/1993	10/31/2023
Cascade Natural Gas Corporation	179	FTS-1	11/1/1993	10/31/2023
Northwest Natural Gas Company	180	FTS-1	11/1/1993	10/31/2023
Puget Sound Energy, Inc.	181	FTS-1	11/1/1993	10/31/2023
Avista Corporation	182	FTS-1	11/1/1993	10/31/2023
Avista Corporation	2591	FTS-1	8/1/1995	10/31/2025
Avista Corporation	2857	FTS-1	11/1/1995	10/31/2025
Avista Corporation	2858	FTS-1	11/1/1995	10/31/2025
Iberdrola Renewables, Inc.	7828	FTS-1	6/3/2001	10/31/2025
Avista Corporation	8035	FTS-1	11/1/2001	10/31/2025
Pacific Gas and Electric Company	111	ITS-1	2/1/1992	10/31/2010
Northwest Natural Gas Company	112	ITS-1	4/1/1992	3/31/2011
Petro-Canada Hydrocarbons, Inc.	119	ITS-1	4/22/1992	4/22/2011
Morgan Stanley Capital Group Inc.	144	ITS-1	7/23/1993	9/30/2010
Shell Energy North America (US), L.P.	146	ITS-1	8/1/1993	8/1/2010
BP Canada Energy Marketing Corp.	4621	AIS-1	12/1/1996	12/31/2010
Sempra Energy Trading Corp.	4721	AIS-1	1/1/1997	12/31/2010
EnCana Marketing (USA) Inc.	4770	AIS-1	1/25/1997	12/31/2010
Nexen Marketing U.S.A., Inc.	6759	AIS-1	6/17/1999	12/31/2010
Shell Energy North America (US), L.P.	7047	AIS-1	4/10/2000	12/31/2010
Sierra Pacific Power Company	7068	AIS-1	4/27/2000	12/4/2019
City of Glendale	7804	AIS-1	5/30/2001	12/31/2021
Iberdrola Renewables, Inc.	7806	AIS-1	5/30/2001	12/31/2021
Petro-Canada Hydrocarbons, Inc.	7807	AIS-1	5/30/2001	12/31/2021
Chevron U.S.A. Inc.	7812	AIS-1	5/30/2001	12/31/2021
Salmon Resources Ltd.	7816	AIS-1	5/30/2001	12/31/2021
Constellation Energy Commodities Group, Inc.	8038	AIS-1	8/2/2001	8/31/2021
Enserco Energy Inc.	8176	AIS-1	11/27/2001	11/30/2021
ConocoPhillips Company	8228	AIS-1	1/8/2002	1/31/2022
UBS AG (London Branch)	8318	AIS-1	4/11/2002	4/30/2023

Concord Energy LLC	8421	AIS-1	7/22/2002	7/31/2012
Tenaska Marketing Ventures	8559	AIS-1	1/1/2003	12/31/2012
Cargill, Inc.	8594	AIS-1	3/19/2003	3/31/2013
Merrill Lynch Commodities, Inc.	8674	AIS-1	6/13/2003	6/13/2023
Apache Corporation	8670	AIS-1	7/1/2003	6/30/2013
Tenaska Marketing Ventures	8880	AIS-1	12/1/2003	11/30/2013
California Dept. of Water Resources	8887	AIS-1	12/1/2003	7/1/2011
United Energy Trading, LLC	9002	AIS-1	3/1/2004	2/28/2014
Select Natural Gas LLC	8978	AIS-1	3/3/2004	3/3/2014
National Fuel Marketing Company LLC	9035	AIS-1	4/27/2004	4/30/2014
Fortis Energy Marketing & Trading GP	9115	AIS-1	7/17/2004	6/30/2014
Powerex Corp.	9149	AIS-1	8/16/2004	7/31/2014
Louis Dreyfus Energy Services L.P.	9281	AIS-1	11/8/2004	10/31/2014
Pacific Summit Energy LLC	9285	AIS-1	11/15/2004	10/31/2010
Devlar Energy Marketing, LLC	9630	AIS-1	6/1/2005	5/31/2015
Suncor Energy Marketing Inc.	9774	AIS-1	10/1/2005	9/30/2015
CanNat Energy Inc.	10197	AIS-1	7/26/2006	7/25/2011
Eagle Energy Partners I, LP	10308	AIS-1	10/27/2006	10/31/2011
Sequent Energy Management LP	10336	AIS-1	11/1/2006	10/31/2010
Occidental Energy Marketing, Inc.	10359	AIS-1	12/22/2006	12/31/2010
NextEra Energy Power Marketing, LLC	10625	AIS-1	4/10/2008	4/30/2018
Natural Gas Exchange, Inc.	10639	AIS-1	4/29/2008	4/30/2018
Citigroup Energy Inc.	10646	AIS-1	5/30/2008	5/31/2018
IGI Resources, Inc.	4576	PS-1	12/1/1996	12/31/2010
Macquarie Cook Energy, LLC	4619	PS-1	12/1/1996	12/31/2010
Sempra Energy Trading Corp.	4720	PS-1	1/1/1997	12/31/2010
EnCana Marketing (USA) Inc.	4868	PS-1	3/1/1997	12/31/2010
Shell Energy North America (US), L.P.	4908	PS-1	3/5/1997	12/31/2010
Husky Gas Marketing Inc.	5348	PS-1	7/3/1997	12/31/2010
Enserco Energy Inc.	5677	PS-1	10/6/1997	12/31/2010
National Fuel Marketing Company LLC	5679	PS-1	10/7/1997	12/31/2010
United States Gypsum Company	5837	PS-1	11/3/1997	5/17/2010
Northwest Natural Gas Company	5992	PS-1	2/13/1998	12/31/2023
Chevron U.S.A. Inc.	6226	PS-1	5/14/1998	12/31/2010
San Diego Gas & Electric Company	6378	PS-1	8/25/1998	12/31/2010
Southern California Gas Company	6613	PS-1	12/14/1998	12/31/2010
Puget Sound Energy, Inc.	7061	PS-1	4/20/2000	4/20/2020
Hermiston Generating Company, L.P.	7798	PS-1	5/30/2001	12/31/2021
City of Glendale	7803	PS-1	5/30/2001	12/31/2021
Iberdrola Renewables, Inc.	7805	PS-1	5/30/2001	12/31/2021
Questar Energy Trading Company	7819	PS-1	5/30/2001	12/31/2021
El Paso Energy Marketing Company	7820	PS-1	5/30/2001	12/31/2021
Sempra Energy Trading Corp.	7833	PS-1	6/14/2001	6/8/2020
Constellation Energy Commodities Group, Inc.	8037	PS-1	8/2/2001	8/31/2021
ConocoPhillips Company	8229	PS-1	1/8/2002	1/31/2022
Tractebel Energy Marketing, Inc.	8283	PS-1	3/14/2002	3/31/2022
UBS AG (London Branch)	8316	PS-1	4/11/2002	4/30/2023

RWE Trading Americas Inc.	8324	PS-1	4/16/2002	4/30/2022
Fortis Energy Marketing & Trading GP	8340	PS-1	5/2/2002	5/31/2022
Concord Energy LLC	8406	PS-1	7/22/2002	7/31/2012
Select Natural Gas LLC	8534	PS-1	11/15/2002	10/31/2012
Tenaska Marketing Ventures	8539	PS-1	12/1/2002	11/30/2012
Cargill, Inc.	8595	PS-1	3/19/2003	3/31/2013
United Energy Trading, LLC	8652	PS-1	5/23/2003	5/31/2013
Apache Corporation	8668	PS-1	7/1/2003	6/30/2013
Occidental Energy Marketing, Inc.	8784	PS-1	9/10/2003	8/31/2013
Tenaska Marketing Ventures	8873	PS-1	12/1/2003	11/30/2013
California Dept. of Water Resources	8886	PS-1	12/1/2003	7/1/2011
Devon Canada Marketing Corporation	8923	PS-1	2/1/2004	1/31/2014
Merrill Lynch Commodities, Inc.	9018	PS-1	4/7/2004	4/7/2014
Pacific Summit Energy LLC	9173	PS-1	8/30/2004	8/30/2010
Louis Dreyfus Energy Canada LP	9263	PS-1	10/29/2004	10/31/2010
Louis Dreyfus Energy Services L.P.	9273	PS-1	11/4/2004	10/31/2014
Devlar Energy Marketing, LLC	9584	PS-1	5/2/2005	4/30/2015
Suncor Energy Marketing Inc.	9772	PS-1	10/1/2005	9/30/2015
J.P. Morgan Ventures Energy Corporation	9948	PS-1	2/1/2006	1/31/2016
CanNat Energy Inc.	10195	PS-1	7/26/2006	7/25/2011
Eagle Energy Partners I, LP	10310	PS-1	10/27/2006	10/31/2011
Sequent Energy Management LP	10332	PS-1	11/1/2006	10/31/2011
El Paso Ruby Holding Company, LLC	12071	FTS-1	11/1/2012	3/31/2018
Portland General Electric Company	17293	FTS-1	10/31/2015	10/31/2045

RATE SCHEDULES

Firm Transportation Service (FTS-1)

Limited Firm Transportation Service (LFS-1)

Interruptible Transportation Service (ITS-1)

Unbundled Sales Service (USS-1)

Parking and Lending Service (PAL)

RATE SCHEDULE FTS-1
FIRM TRANSPORTATION SERVICE

5.1.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's Regulations contained in 18 CFR Part 284, and who has executed a Firm Transportation Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss, plus all applicable surcharges. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.1.3 RATES

Shipper shall pay GTN each month the sum of the Reservation Charges, the Delivery Charge, plus any applicable Extension Charge, Overrun Charge and applicable surcharges for the quantities of natural gas delivered. The rate(s) set forth in GTN's current Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to transportation service rendered under this rate schedule.

5.1.3.1 Reservation Charge.

The Reservation Charge shall be the sum of the Mileage and the Non-Mileage Component:

(a) Mileage Component.

The Mileage Component shall be the product of the currently effective Mileage Rate as set forth in Section 4.1, the distance, in pipeline miles, from the Primary Point(s) of receipt to the Primary Point(s) of Delivery on Mainline Facilities as set forth in Shipper's Contract, and the Shipper's Maximum Daily Quantity at such Point(s).

(b) Non-Mileage Component.

The Non-Mileage Component shall be the product of the currently effective Non-Mileage Rate as set forth in Section 4.1 and the Shipper's Maximum Daily Quantity at Primary Point(s) of Delivery on Mainline Facilities.

(c) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of this rate schedule.

5.1.3.2 Delivery Charge.

The Delivery Charge shall be the product of the Delivery Rate as set forth in Section 4.1, the quantities of gas delivered in the month (in Dth) (excluding Authorized Overrun) at point(s) of delivery on Mainline Facilities, and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.

5.1.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component of the Extension Charge shall be the product of Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility, the applicable Extension reservation rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the Primary Point(s) of delivery.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension delivery rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.

5.1.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.1.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.1.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all reservation and all surcharges applicable to this rate schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.1.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under this Rate Schedule unless GTN offers to discount the Mileage Rate components or the Non-Mileage Rate components of the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ACA Surcharge.

5.1.3.7 Backhauls.

Backhauls (as defined in Section 6.1 paragraph 31 of the Transportation General Terms and Conditions) shall be subject to the same charges as forward haul (as defined in Section 6.1 paragraph 30 of the Transportation General Terms and Conditions) except that no gas shall be retained by GTN for compressor station fuel, line loss and other unaccounted-for gas. Backhauls are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

5.1.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FTS-1 in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

5.1.3.9 Reservation Charge Credit - Force Majeure Event.

As used in this Section 5.1.3.9, Firm Daily Volume shall mean the volume of gas which GTN is obligated to deliver on a firm basis at Shipper's primary firm delivery point(s) on a Gas Day, based on confirmable nominations for firm service within Shipper's Maximum Daily Quantity. If, due to an event of Force Majeure as defined in Section 6.10 of the General Terms and Conditions of this FERC Gas Tariff, GTN is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that GTN so fails to provide service the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by GTN within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

5.1.3.10 Reservation Charge Credit - Non-Force Majeure Event.

As used in this Section 5.1.3.10, Firm Daily Volume shall mean the volume of gas which GTN is obligated to deliver on a firm basis at Shipper's firm delivery point(s) on a Gas Day, based on confirmable nominations for primary firm service within Shipper's Maximum Daily Quantity. Except as provided for in Section 5.1.3.9 above, in the event GTN fails to deliver any portion of Shipper's Firm Daily Volume on any Gas Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by GTN within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

5.1.3.11 Reservation Charge Credit – Confirmable Nominations.

Any exemption from crediting for nominated amounts not confirmed, as provided in Sections 5.1.3.9 and 5.1.3.10 hereof, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by GTN.

5.1.3.12 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

5.1.4 FUEL AND LINE LOSS

For all Forward Hauls, Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

5.1.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions are applicable to this rate schedule, unless otherwise stated in the executed Firm Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

RATE SCHEDULE LFS-1
LIMITED FIRM TRANSPORTATION SERVICE

5.2.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's Regulations contained in 18 CFR Part 284, and who has executed a Limited Firm Transportation Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Limited Firm Transportation Service will be available where capacity is available on Transporter's system for such firm transportation service.

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to Limited Firm gas transportation services performed by GTN for Shipper pursuant to the executed Limited Firm Transportation Service Agreement between GTN and Shipper. Over the period of time that service is provided under this rate schedule, GTN may, subject to mutual agreement and as set forth in the executed Limited Firm Transportation Agreement, restrict service in whole (Limited Day) or in part (Partial Volume Day) for a minimum and maximum number of Limited Days. Further, the Limited Firm Transportation Agreement may specify in advance particular days or periods of time which will be Limited Days. A Partial Volume Day will be counted as a Limited Day.

On those days in which service is provided in whole or in part, GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity, or a percentage thereof on Partial Volume Days, as specified in the executed Limited Firm Transportation Service Agreement between GTN and Shipper, plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule LFS-1, and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Limited Firm Transportation Service Agreement and in the Transportation General Terms and Conditions.

Limited Firm transportation service shall be subject to all provisions of the executed Limited Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.2.3 RATES

Shipper shall pay GTN each month the sum of the Reservation Charges, the Delivery Charge, plus any applicable Extension Charge, Overrun Charge and applicable surcharges for the quantities of natural gas delivered. The rate(s) set forth in GTN's current Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to transportation service rendered under this rate schedule.

5.2.3.1 Reservation Charge.

The Reservation Charge shall be the sum of the Mileage and the Non-Mileage Component:

(a) Mileage Component.

The Mileage Component shall equal the product of the Daily Mileage Charge, the number of days in the month less the number of Limited Days, the distance in pipeline miles from the Primary Point(s) of receipt to the Primary Point(s) of delivery on Mainline Facilities as set forth in Shipper's Contract, and the Shippers Maximum Daily Quantity at such Point(s). To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.

(b) Non-Mileage Component.

The Non-Mileage Component shall be the product of the Daily Non-Mileage Charge, the number of days in the month less the number of Limited Days, and the Shipper's Maximum Daily Quantity at Primary Point(s) of Delivery on Mainline Facilities. To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.

(c) Obligation to Pay.

Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Limited Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Limited Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of Rate Schedule FTS-1.

5.2.3.2 Delivery Charge.

The Delivery Charge shall be the product of the Delivery Rate as set forth in Section 4.1, the quantities of gas delivered in the month (in Dth) (excluding Authorized Overrun) at point(s) of delivery on Mainline Facilities, and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.

5.2.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component of the Extension Charge shall be the product of the Daily Extension Reservation Rate, the number of days in the month less the number of Limited Days, the distance in pipeline miles from the Receipt Point(s) to the Primary Point(s) of delivery on the Extension Facility as set forth in Shipper's Contract, and the Shipper's Maximum Daily Quantity at such Point(s). To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension delivery rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.

5.2.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.2.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.2.3.5 Applicability of Surcharges.

Shipper shall pay all reservation and usage surcharges applicable to the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.

5.2.3.6 Discounted Transportation Rates.

Shipper shall pay the Maximum Reservation Charge and the Maximum Delivery Charge for service under this Rate Schedule unless GTN offers to discount the Mileage Rate components or the Non-Mileage Rate components of the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, such discount shall not be anticompetitive or unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ACA Surcharge.

5.2.3.7 Backhauls.

Backhauls (as defined in Section 6.1 paragraph 31 of the Transportation General Terms and Conditions) shall be subject to the same charges as forward haul (as defined in Section 6.1 paragraph 30 of the Transportation General Terms and Conditions) except that no gas shall be retained by GTN for compressor station fuel, line loss and other unaccounted-for gas. Backhauls are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

5.2.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule LFS-1 in this Fourth Revised Volume No. 1-A.

All replacement shippers must accept the same provisions regarding and circumstances relating to Limited Days as apply under the Releasing Shipper's Agreement, including the number of Limited Days remaining in an applicable defined period. Any required capacity release posting must state and describe the contract provisions relating to Limited Days. When a Releasing Shipper releases a volumetric portion of its full contract path, capacity on a Limited or Partial Volume Day shall be prorated among the original and replacement Shippers based on their respective MDQs. When a Releasing Shipper releases a segment of its full contract path, the number of Limited Days that apply to the Replacement will be the number of Limited Days that remain on the Releasing Shipper's Agreement.

In this case, the Releasing and Replacement Shipper Agreements will be treated separately for purposes of calling Limited or Partial Volume Days. In the event of a recall of segmented released capacity, once the capacity reverts to the original Shipper, that Shipper is bound by the greater of the number of Limited Days remaining for either the original or Replacement Shipper in the relevant defined time period. GTN will notify Replacement Shippers, both permanent and temporary, of whether days are Limited or Partial Volume Days.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the executed Limited Firm Transportation Service Agreement between GTN and Shipper.

5.2.3.9 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

5.2.4 FUEL AND LINE LOSS

For all Forward Hauls, Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

5.2.5 NOTIFICATION OF LIMITED DAYS

(a) Notification.

GTN shall notify Shipper no later than two and one-half hours prior to the deadline for timely nominations for a day if that day is going to be a Limited Day or Partial Volume Day. Notification shall be made by e-mail or other mutually agreed method. To the extent that GTN notifies Shipper of a Partial Volume Day, the notice will specify the volume of service which will be made available to Shipper that day.

If timely notice is not provided by GTN on any day of a Limited Day or Partial Volume Day, Shipper will be able to nominate up to its full MDQ in accordance with the Scheduling and Nomination procedures in GTN's General Terms and Conditions. Timely notice will be assumed to have been provided for predetermined Limited or Partial Volume Days pursuant to the Limited Firm Transportation Service Agreement between GTN and Shipper.

(b) Determination of Limited Days.

Limited Days or Partial Volume Days shall be determined by GTN separately for each LFS Agreement, subject to the parameters defined in the Limited Firm Transportation Service Agreement. To the extent that GTN can identify the conditions under which it will call a Limited Day or Partial Volume Day, GTN shall specify such conditions in the Limited Firm Transportation Service Agreement, provided, however, that GTN will still be able to call a Limited Day or Partial Volume Day based upon other conditions.

5.2.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions are applicable to this rate schedule, unless otherwise stated in the Rate Schedule LFS-1 tariff provisions contained herein or in the executed Limited Firm Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

RATE SCHEDULE ITS-1
INTERRUPTIBLE TRANSPORTATION SERVICE

5.3.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called Shipper") qualifying for service pursuant to the Commission's regulations contained in 18 CFR Part 284, and who has executed an Interruptible Transportation Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to interruptible gas transportation services performed by GTN for Shipper pursuant to the executed Interruptible Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper daily quantities of gas as agreed between GTN and Shipper and in accordance with Section 6.18.3 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, plus the required quantity of gas for fuel and line losses associated with service under this Rate Schedule ITS-1 and redeliver an amount equal to the quantity received less the required quantity for fuel and line loss. This transportation service shall be subject to curtailment of interruption as provided in the Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

Interruptible transportation service shall be subject to all provisions of the executed Interruptible Transportation Service Agreement between GTN and Shipper and the applicable transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.3.3 RATES

Shipper shall pay GTN, each month, for the transportation of quantities of natural gas delivered, the Delivery Charge, plus any applicable Extension Charges, and any applicable surcharges. The rate(s) set forth under Rate Schedule ITS-1 in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to interruptible transportation service rendered under this rate schedule.

5.3.3.1 Interruptible Transportation Charge.

The monthly Interruptible Transportation Charge shall be the sum of the Mileage Component and Non-Mileage Component.

(a) Mileage Component.

The Mileage Component shall be the product of the currently effective Mileage Rate as set forth in Section 4.2, the distance, in pipeline miles, from the point(s) of receipt to the point(s) of delivery, and the quantities of gas delivered at such point(s) during the month (Dth).

(b) Non-Mileage Component.

The Non-Mileage Component shall be the product of the currently effective Non-Mileage Rate as set forth in Section 4.2 and the quantities of gas delivered during the month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.

5.3.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension Delivery Rate as set forth in Section 4.2, and the distance, in pipeline miles, from the point(s) of receipt(s) on the Extension Facility to the point(s) of delivery.

5.3.3.3 Applicability of Surcharges.

Shipper shall pay all surcharges applicable to the service provided to Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. Such surcharges shall be deemed to be part of Shipper's Delivery Charge.

5.3.3.4 Discounts.

Shipper shall pay the Maximum Delivery Rate for service under this rate schedule unless GTN offers to discount its rate to Shipper under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Delivery Rate. The Minimum Delivery Rate shall be the Minimum Base Tariff Rate and applicable ACA Surcharge.

5.3.3.5 Backhauls.

Backhauls or upstream deliveries shall be subject to the same charges as forward haul or downstream transportation arrangements except that no gas shall be retained by GTN, for fuel or line loss.

5.3.3.6 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

5.3.4 RESERVED FOR FUTURE USE

5.3.5 FUEL AND LINE LOSS

Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions.

5.3.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28, 6.31, 6.33, and 6.37 are applicable to this rate schedule, unless otherwise expressed in the executed Interruptible Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to interruptible transportation service rendered under this rate schedule, and, by this reference, are made a part hereof.

RATE SCHEDULE USS-1
UNBUNDLED SALES SERVICE

5.4.1 AVAILABILITY

This rate schedule is provided by GTN to a Buyer which has (i) executed a firm transportation service agreement with GTN and (ii) designated Kingsgate, British Columbia as the primary point of receipt under said transportation service agreement. GTN shall limit the quantity of gas sold to Buyer under this rate schedule, or superseding rate schedule(s), to 1,023 MMcf/day. Service under this rate schedule, or superseding rate schedule(s), shall not become effective until so approved by the FERC. Nothing herein shall obligate GTN to secure new gas supplies for Buyer.

5.4.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to the sale of Canadian source natural gas by GTN to Buyer at the International Boundary in the vicinity of Kingsgate, British Columbia. GTN shall sell to Buyer at Kingsgate such daily quantities of gas as Buyer may desire up to Buyer's Maximum Daily Purchase Quantity, as specified in Buyer's executed gas purchase service agreement under this rate schedule, or superseding rate schedule(s). Buyer shall be responsible for arranging the firm transportation of said gas on GTN from Kingsgate to Buyer's point(s) of delivery on GTN. GTN's sale of gas to Buyer shall be firm and not subject to curtailment except as provided in the executed gas supply service agreement.

5.4.3 RATES AND CHARGES

The Rates and Charges shall be provided in the executed gas purchase service agreement between GTN and Buyer.

5.4.4 HEAT CONTENT

Refer to the General Terms and Conditions contained in the executed gas purchase service agreement between GTN and Buyer.

5.4.5 MEASUREMENT BASE

Refer to the General Terms and Conditions contained in the executed gas purchase service agreement between GTN and Buyer.

5.4.6 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of service applicable to this rate schedule are included in the executed gas purchase service agreement between GTN and Buyer. Buyer shall comply with the creditworthiness criteria as provided in Section 6.18.4 of the Transportation General Terms and Conditions of this Fourth Revised Volume No. 1-A.

5.4.7 FORM OF AGREEMENT

To receive service under this rate schedule, or superseding rate schedule(s), Buyer must execute a gas purchase service agreement with GTN.

RATE SCHEDULE PAL
PARKING AND LENDING SERVICE

5.5.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's regulations contained in 18 CFR Part 284, and who has executed a Parking and Lending Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Notwithstanding the provisions applicable to ATPL as defined below, service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
 - (a) Parking Service is an interruptible service that provides for:
 - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
 - (ii) GTN holding the parked gas quantities; and
 - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
 - (b) Lending Service is an interruptible service that provides for:
 - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
 - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. Shipper Authorized Automatic Term Parking/Lending (“ATPL”) is an enhanced PAL Service option that allows a Shipper to nominate, parking and/or lending service at a designated PAL Point within a supported nomination cycle for a mutually agreed upon term and Maximum Quantity that a Shipper is authorized to automatically park or loan on a given Gas Day. ATPL receives a higher level of scheduling priority than GTN’s interruptible services.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a designated PAL Point during the term of the applicable ATPL, as set forth on Exhibit A to the PAL Service Agreement.

To initiate on a prospective basis, Shipper must complete and submit to GTN a proposed Exhibit A to an effective PAL Service Agreement. Shipper retains the right to prospectively adjust scheduled parking and/or lending activity nominated via ATPL in subsequent nomination cycles.

4. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

5. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper’s effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).
6. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro- rata basis, using confirmed quantities.

7. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.
8. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:
 - (a) within the month in which the loan of the gas quantities occurred; or
 - (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

9. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.
10. PAL Service and ATPL, if elected, shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.5.3 RATES

Shipper shall pay GTN, each month, for services provided under Rate Schedule PAL. The maximum and minimum rate(s) set forth under Rate Schedule PAL in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applicable to PAL Service rendered hereunder.

The monthly charges for PAL Service in each PAL Account shall be the product of the quantity of gas in Shipper's PAL Account and the maximum PAL rate as set forth in the current Statement of Rates and Charges for the Transportation of Natural Gas, unless GTN elects to discount such rate, for each day gas remains in the PAL Account.

The monthly charge for ATPL is the Maximum Quantity multiplied by the maximum PAL rate multiplied by the number of days within such month that service is in effect, all as set forth in the Exhibit A of the executed PAL Service Agreement.

If, on any day, Shipper submits a nomination with GTN to receive parked, or return loaned, quantities of gas which are reflected in its PAL Account, but GTN is unable to schedule all such quantities nominated, GTN shall suspend the PAL rate charges for that quantity not scheduled until GTN is able to schedule the quantity nominated.

1. Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this rate schedule or by any other applicable provision of GTN's Tariff.

2. Discounted Rates.

GTN may offer to discount the maximum rate for service under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Base Tariff Rate.

5.5.3.1 ATPL Reservation Charge Credits.

For purposes of this Section, Firm Daily Volume shall mean the volume of gas which GTN is obligated to park and/or loan at or from Shipper's PAL Point on a Gas Day, based on confirmable nominations within Shipper's Maximum Quantity. Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference and applicable solely to ATPL.

In accordance with Section 5.5.2, in the event that on any day GTN fails to park and/or lend all of Shipper's quantities scheduled for such day, due to GTN's allocation and curtailment of such service, then GTN shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the PAL Service Agreement multiplied by the quantity of gas which was scheduled but not provided due to GTN's allocation and curtailment of service.

5.5.4 PAL GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.22, 6.28, and 6.33 are applicable to this rate schedule, unless otherwise expressed in the executed PAL Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to PAL Service rendered under this rate schedule, and, by this reference, are made a part hereof.

RATE SCHEDULE FHS
FIRM HOURLY SERVICE

5.6.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's Regulations contained in 18 CFR Part 284, and who has executed a Firm Hourly Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A, subject to the following limitations:

- (a) GTN has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper; and
- (b) Shipper shall be responsible, in cooperation with any intervening downstream transporter or applicable end user, for the installation of telemetered electronic measurement equipment, and other necessary facilities, as reasonably required in order to provide service.

5.6.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Hourly Service Agreement between GTN and Shipper.
- (b) This transportation service shall be firm up to the Maximum Daily Quantity (“MDQ”) and Maximum Hourly Quantity (“MHQ”) as specified in the executed Firm Hourly Service Agreement, and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions.
- (c) GTN shall receive from Shipper such daily quantities of gas up to the Shipper's MDQ plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FHS and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss up to Shipper's MDQ and at hourly rates up to Shipper's MHQ.
- (d) The MHQ shall be no less than 1/24th of Shipper's MDQ and no greater than 1/4th of Shipper's MDQ.
- (e) A Shipper's MDQ and MHQ shall be uniform quantities throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's MDQ and MHQ for specified periods during the term of Shipper's contract. Shipper's MDQ and MHQ as well as any differing levels in the MDQ and MHQ, as well as the period of such differing levels, shall be specified in the executed Firm Hourly Service Agreement.
- (f) Unless otherwise agreed, Shipper shall have the right to nominate Secondary Delivery Point(s), provided that service to Secondary Delivery Point(s) shall be at a uniform flow rate of 1/24th of the nominated quantity.
- (g) Firm transportation service shall be subject to all provisions of the executed Firm Hourly Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.6.3 RATES

Shipper shall pay GTN each month the sum of the Reservation Charges, the Delivery Charge, plus any applicable Extension Charge, Overrun Charge and applicable surcharges for the quantities of natural gas delivered. The rate(s) set forth in GTN's current Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to transportation service rendered under this rate schedule.

5.6.3.1 Reservation Charge.

The Reservation Charge for Firm Hourly Service (“FHS”) shall be the sum of the Mileage and the Non-Mileage Components:

(a) Mileage Component.

The Mileage Component for FHS shall be based upon the currently effective Mileage Rate and FHS mileage formula as set forth in Section 4.1. The Mileage formula shall take into consideration the distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery on Mainline Facilities as set forth in Shipper's Contract, as well as the Shipper's MDQ and MHQ at such Point.

(b) Non-Mileage Component.

The Non-Mileage Component for FHS shall be based upon the currently effective Non-Mileage Rate and FHS Non-Mileage formula as set forth in Section 4.1. The Non-Mileage formula shall take into consideration the Shipper's MDQ and MHQ at Primary Point(s) of Delivery on Mainline Facilities.

(c) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Hourly Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Hourly Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Section 5.6.3.8 of this rate schedule.

5.6.3.2 Delivery Charge.

The Delivery Charge shall be the product of the Delivery Rate as set forth in Section 4.1, the quantities of gas delivered in the month (in Dth) at point(s) of delivery on Mainline Facilities, and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.

5.6.3.3 Extension Charge.

If Shipper designates in its Firm Hourly Service Agreement a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component shall be the sum of the Mileage and the Non-Mileage Component:
 - a. The Mileage Component shall be based upon the currently effective Mileage Extension reservation rate and the FHS Mileage formula as set forth in Section 4.1. The FHS Mileage formula shall take into consideration the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the Primary Point(s) of Delivery, as well as Shipper's MDQ and MHQ at the Primary Point(s) of Delivery on the Extension Facility.
 - b. The Non-Mileage Component shall be based upon the currently effective Non-Mileage Extension reservation rate and the FHS Non-Mileage formula as set forth in Section 4.1. The Non-Mileage formula shall take into consideration the Shipper's MDQ and MHQ at Primary Point(s) of Delivery on the Extension Facility.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension delivery rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.

5.6.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ or MHQ shall be transported when capacity is available on the GTN system. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule IHS as set forth in Section 4.2, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.6.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.6.3.5 Applicability of Surcharges.

Shipper shall pay all reservation and usage surcharges applicable to the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.

5.6.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under this Rate Schedule unless GTN offers to discount the Mileage Rate Component or the Non-Mileage Rate Component of the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ACA Surcharge.

5.6.3.7 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

5.6.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's MDQ and at hourly rates up to Shipper's MHQ under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FHS in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

5.6.3.9 Reservation Charge Credits.

Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference. For purposes of this Rate Schedule, confirmable nominations, as referenced in Sections 5.1.3.9, 5.1.3.10, and 5.1.3.11 shall include firm service at Shipper’s Primary Delivery Point within its MDQ and MHQ.

5.6.3.10 Backhauls.

Backhauls (as defined in Section 6.1 paragraph 31 of the Transportation General Terms and Conditions) shall be subject to the same charges as forward haul (as defined in Section 6.1 paragraph 30 of the Transportation General Terms and Conditions) except that no gas shall be retained by GTN for compressor station fuel, line loss and other unaccounted-for gas. Backhauls are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

5.6.4 FUEL AND LINE LOSS

For all Forward Hauls, Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

5.6.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

RATE SCHEDULE IHS
INTERRUPTIBLE HOURLY SERVICE

5.7.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's Regulations contained in 18 CFR Part 284, and who has executed an Interruptible Hourly Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A, provided that the applicable end user agrees to allow GTN, in cooperation with any intervening downstream transporter, to install telemetered electronic measurement equipment, and other necessary facilities, as reasonably required in order to provide service.

5.7.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to interruptible gas transportation services performed by GTN for Shipper pursuant to the executed Interruptible Hourly Service Agreement between GTN and Shipper.
- (b) GTN shall receive from Shipper daily quantities of gas as agreed between GTN and Shipper and in accordance with Section 6.18.3 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule IHS and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss.
- (c) Transportation service rendered under this Rate Schedule shall be interruptible. The Dekatherms delivered in one Hour may be requested by Shipper to be provided on a best effort basis, but shall be no less than 1/24th and no greater than 1/4th of the total Dekatherms nominated and scheduled for delivery during the same Gas Day.
- (d) Interruptible transportation service shall be subject to all provisions of the executed Interruptible Hourly Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.7.3 RATES

Shipper shall pay GTN each month the Interruptible Charge plus any applicable Extension Charge and any applicable surcharges for the quantities of natural gas delivered. The rate(s) set forth in GTN's current Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to transportation service rendered under this rate schedule.

5.7.3.1 Interruptible Charge.

The monthly Interruptible Charge for Interruptible Hourly Service (“IHS”) shall be the sum of the Mileage, the Non-Mileage, and the Delivery Components:

(a) Mileage Component.

The Mileage Component for IHS shall be the product of the currently effective IHS Mileage Rate as set forth in Section 4.2, the distance, in pipeline miles, from the point(s) of receipt to the point(s) of delivery on Mainline Facilities, and the quantities of gas delivered at such point(s) during the month (Dth).

(b) Non-Mileage Component.

The Non-Mileage Component for IHS shall be the product of the currently effective IHS Non-Mileage Rate as set forth in Section 4.2 and the quantities of gas delivered during the month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.

(c) Delivery Component.

The Delivery Component shall be the product of the Delivery Rate as set forth in Section 4.2, the quantities of gas delivered in the month (in Dth) at point(s) of delivery on Mainline Facilities, and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.

5.7.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable IHS Extension Delivery Rate as set forth in Section 4.2, and the distance, in pipeline miles, from the point(s) of receipt(s) on the Extension Facility to the point(s) of delivery.

5.7.3.3 Applicability of Surcharges.

Shipper shall pay all usage surcharges applicable to the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. Such surcharges shall be deemed to be part of Shipper's Delivery Charges.

5.7.3.4 Discounts.

Shipper shall pay the Maximum Delivery Charge for service under this Rate Schedule unless GTN offers to discount its IHS rate. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this Rate Schedule shall not be discounted below the Minimum Delivery Rate and applicable ACA Surcharge.

5.7.3.5 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

5.7.3.6 Backhauls.

Backhauls (as defined in Section 6.1 paragraph 31 of the Transportation General Terms and Conditions) shall be subject to the same charges as forward haul (as defined in Section 6.1 paragraph 30 of the Transportation General Terms and Conditions) except that no gas shall be retained by GTN for compressor station fuel, line loss and other unaccounted-for gas. Backhauls are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

5.7.4 FUEL AND LINE LOSS

For all Forward Hauls, Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

5.7.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28 and 6.31 are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

GENERAL TERMS AND CONDITIONS OF SERVICE

6.1 DEFINITIONS

1. **Gas Day:** In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall be 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. **Business Day:** The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. **Month:** The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. **Maximum Daily Quantity:** The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity in Dth of gas which GTN agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during each year during the term of Shipper's Transportation Service Agreement with GTN.
5. **Energy Affiliate:** The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
6. **Gas:** The word "gas" shall mean natural gas.
7. **Cubic Foot of Gas:** The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9 as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 dry psia, 60 degrees F. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C. Standard 2.3.9 states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa and 15 degrees C), and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm² and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, at 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, at 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

8. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.1 paragraph 7 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
9. Dekatherm: The term "Dekatherm" (or "Dth") is the quantity of heat energy equivalent to one million (1,000,000 British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, confirmations and Scheduled Quantities in the United States. For purposes of this Tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
10. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
11. Gross Heating Value: The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
12. Psig: The term "psig" shall mean pounds per square inch gauge.
13. Releasing Shipper: A firm transportation Shipper which intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
14. Replacement Shipper: A Shipper which has contracted to utilize a Releasing Shipper's service for a specified period of time.
15. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
16. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
17. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
18. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.28 of these Transportation General Terms and Conditions.

19. Primary Release: The term used to describe the release of capacity by a Releasing Shipper receiving service under a Part 284 firm transportation rate schedule.
20. Secondary Release: The term used to describe the release of capacity by a Replacement Shipper receiving service under a Part 284 firm transportation rate schedule.
21. Bid Reconciliation Period: The period of time subsequent to the Bid Period during which bids are evaluated by GTN.
22. Match Period: The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period, the Prearranged Shipper may match any higher bids for the Parcel.
23. Mainline Facilities: The term "Mainline Facilities" shall mean the 36-inch and 42-inch mains and appurtenant facilities extending from the interconnection with the pipeline facilities of TransCanada PipeLines Limited B.C. System and Foothills Pipe Lines (South B.C.) Ltd., near Kingsgate, British Columbia to the interconnection with the pipeline facilities of Pacific Gas and Electric Company near Malin, Oregon.
24. Extension Facilities: The term "Extension Facilities" shall mean the 12-inch mains and appurtenant facilities extending from GTN's mainline facilities at Milepost 304.25 and the 16-inch and 12-inch mains and appurtenant facilities extending from GTN's Mainline Facilities at Milepost 599.20 that were authorized in Docket No. CP93-618-000. The term "Extension Facility" shall mean one of the Extension Facilities.
25. Subject Shipper: The term "Subject Shipper" shall mean the Shippers identified in Appendix G of the Stipulation and Agreement in Docket No. RP94-149-000, et al., and Shippers that have obtained service rights from such Shippers.
26. Nominations: A "Nomination" shall be the provision of information to GTN necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.19.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
27. Intraday Nomination: An "Intraday Nomination" is 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 the Gas Day.

28. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
29. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
30. Forward Haul: The term "Forward Haul" shall refer to (1) transportation service on GTN's mainline system in which the nominated direction of flow from receipt point to delivery point is from north to south or (2) transportation service on a GTN lateral in which the nominated direction of flow from receipt point to delivery point is from GTN's mainline system to the terminus of the lateral.
31. Backhaul: The term "Backhaul" shall refer to transportation service on GTN's mainline system and laterals that is in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 30 above.
32. Primary Path: The term "Primary Path" shall mean the transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above.
33. Reverse Path: The term "Reverse Path" shall mean the transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 32 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above. Reverse Path transactions rely on secondary point rights and are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.
34. Negotiated Rate: The term "Negotiated Rate" shall mean a rate (including a Negotiated Rate Formula) that GTN and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in GTN's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate

Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.

35. **Negotiated Rate Formula:** The term "Negotiated Rate Formula" shall mean a rate formula that GTN and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in GTN's Tariff for the given service.
36. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
37. **Existing Capacity:** The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
38. **Expansion Capacity:** The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
39. **Long-Term Firm Capacity:** The term "Long-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of 365 days or longer, but which may also be sold as Short-Term Firm Capacity. Unsubscribed Long-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
40. **Short-Term Firm Capacity:** The term "Short-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of time that are less than 365 days. Unsubscribed Short-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
41. **Operationally Available Capacity:** The term "Operationally Available Capacity" shall mean capacity that is available on a day-to-day basis and is equal to the

physical capacities of individual receipt and delivery points less amounts scheduled to be received/delivered at such points. Operationally Available Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.

42. The term “PAL Point” shall mean the point on GTN’s system referenced on Exhibit A of a PAL Service Agreement where a Shipper can park or GTN can lend quantities of gas.
43. The term “Maximum Quantity” shall mean the maximum quantity of gas available to Shipper for PAL Service as stated on Exhibit A of a PAL Service Agreement.
44. The term “Hour” shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to GTN and Shipper.
45. The term “Maximum Hourly Quantity” (“MHQ”) shall mean the greatest number of Dekatherms that GTN is obligated to deliver at a Primary Point of Delivery to or on behalf of Shipper up to Shipper’s MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Gas Day, unless GTN and Shipper agree otherwise, in which case GTN and Shipper shall set forth the MHQ by Hour in the Firm Hourly Service Agreement.
46. Electric Power Costs: The “Electric Power Costs” adjustment is defined and computed in accordance with Section 6.39 of the General Terms and Conditions of GTN’s FERC Gas Tariff.
47. Regulatory Environmental & Compliance Costs: The “Regulatory Environmental & Compliance Costs” is defined and computed in accordance with Section 6.35 of the General Terms and Conditions of GTN’s FERC Gas Tariff.

6.2 EQUALITY OF TRANSPORTATION SERVICE

GTN hereby states that the terms and conditions of service for all unbundled sales and transportation services provided in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A, are provided on a basis that is equal in quality for all Shippers. All Shippers can access all sellers of gas and receive the same quality of service on GTN whether their gas supplies are purchased from GTN or any other seller. Furthermore, no preference is accorded to any affiliate of GTN for sales and transportation services provided by GTN.

6.3 QUALITY OF GAS

1. Quality Standards: The gas which Shipper delivers hereunder to GTN for transport (and the gas which GTN transports hereunder for Shipper) shall be merchantable gas at all times complying with the following quality requirements:
 - (a) Heating Value: The gas shall have a gross heating value of not less than nine hundred ninety-five (995) Btus per standard cubic foot on a dry basis, but with the consent of Shipper, GTN may deliver gas at a lower gross heating value.
 - (b) Freedom from Objectionable Matter: The gas:
 - (1) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization.
 - (2) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) psig.
 - (3) Shall not contain more than one-quarter (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet.
 - (4) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) standard cubic feet.
 - (5) Shall not contain more than two percent (2%) by volume of carbon dioxide.
 - (6) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) standard cubic feet.
 - (7) Shall not exceed one hundred ten degrees (110°) Fahrenheit in temperature at the point of measurement.
 - (8) Shall be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.
2. Quality Tests:
 - (a) The quality specifications of the gas received by GTN hereunder shall be determined by tests which GTN shall cause to be made at the International

Boundary or such other locations on GTN's system if required accordance with this Section 6.3 paragraph 2.

- (b) The gross heating value of gas delivered hereunder shall be determined from read-outs of continuously operating measuring instruments. The method shall consist of one or more of the following:
 - (1) calorimeter;
 - (2) gas chromatograph;
 - (3) any other method mutually agreed upon by the parties.

Measurement of gross heating value with the calorimeters shall comply with the standards set forth in the American Society for Testing and Materials' ASTM D 1826. Analysis of gas with gas chromatograph shall comply with the standards set forth in ASTM D 1945. Calculation of the gross heating value from compositional analysis by gas chromatography shall comply with the standards set forth in ASTM D 3588.

GTN or its agent shall calibrate and maintain the gross heating value measurement device at intervals as agreed upon by GTN and Shipper. Shipper shall have access to GTN's devices and shall be allowed to inspect the services and all charts or other records of measurement at any reasonable time.

- (c) Tests shall be made to determine the total sulphur, hydrogen sulfide, carbon dioxide and oxygen content of the gas, by approved standard methods in general use in the gas industry, and to determine the hydrocarbon dew-point and water vapor content of such gas by methods satisfactory to the parties. Tests shall be made frequently enough to ensure that the gas is conforming continuously to the quality requirements. Shipper shall have the right to require GTN to have remedied any deficiency in quality of the gas and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to refuse to accept such deficient gas until such deficiency is remedied.

6.4 MEASURING EQUIPMENT

1. Installation: Unless GTN and Shippers agree otherwise, all gas volume measuring equipment, devices and materials at the point(s) of receipt and/or delivery shall be furnished and installed by GTN at Shipper's expense including the tax-on-tax effect. The construction and installation of measuring equipment, devices and materials shall be in accordance with GTN's technical specifications. Unless GTN and Shipper agree otherwise, all such equipment, devices and materials shall be owned, maintained and operated by GTN. Shipper may install and operate check measuring equipment provided it does not interfere with the use of GTN's equipment.
2. Testing Meter Equipment: The accuracy of either GTN's or Shippers' measuring equipment shall be verified by test, using means and methods acceptable to the other party, at intervals mutually agreed upon, and at other times upon request. Notice of the time and nature of each test shall be given by the entity conducting the test to the other entity sufficiently in advance to permit convenient arrangement for the presence of the representative of the other entity. If, after notice, the other entity fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. If any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. All tests of such measuring equipment shall be made at the expense of the entity conducting the same, except that the other entity shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.
3. Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, the lesser of one-half (1/2) of the elapsed time since the last test or six months from the production month with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact. The parties' other statutory or contractual rights shall not otherwise be diminished by this limitation. If the measuring equipment is out-of-service, the volume of gas delivered during such period shall be determined:
 - (a) By using the data recorded by any check measuring equipment accurately registering; or
 - (b) If such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

- (c) If neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered hereunder for measuring equipment inaccuracies of two percent (2%) or less, and in no event shall inaccuracies less than 25 Mcf be considered for adjustment.

6.5 MEASUREMENTS

1. Metering: The gas shall be metered by one or more orifice, turbine, ultrasonic, displacement or other-type meters, at the discretion of GTN. All meters shall be installed and maintained, and volumes shall be measured, in accordance with applicable A.G.A. standards for the meter in question.
2. Specific Gravity: The specific gravity of the gas delivered hereunder shall be determined from the read-outs of continuously operating measuring instruments. The method shall consist of one of the following:
 - (a) gravitometer;
 - (b) gas chromatography;
 - (c) other instruments acceptable to both parties.

Analysis of chromatograph shall comply with the standards set forth in ASTM D 1945. Calculation of the specific gravity from compositional analysis by gas chromatography shall comply with the standards set forth in ASTM D 3588. Measurement of the specific gravity with a gravitometer shall comply with the standards set forth in ASTM D 1070.

3. Flowing Temperature: Flowing gas temperature shall be continuously measured and used in flow calculations.

6.6 INSPECTION OF EQUIPMENT AND RECORDS

1. **Inspection of Equipment and Data:** GTN and Shipper shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the entity installing or furnishing same. Unless GTN and Shipper otherwise agree, each shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least six (6) years.
2. **Information for Billing:** When information necessary for billing by GTN is in the control of Shipper, Shipper shall furnish such information, estimated if actual is not available, to GTN on or before the third (3rd) working day of the month following the month transportation service was rendered. If Shipper furnishes estimated information, the actual information shall be furnished to GTN on or before the fifth (5th) working day of the month following the month transportation service was rendered.
3. **Verification of Computations:** GTN and Shipper shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to these Transportation General Terms and Conditions and to the rate schedules to which they apply, within twelve (12) months of any such statement, charge or computation. The time limitation for disputing allocations shall be six (6) months from the date of initial month-end allocation with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact, and shall not diminish the parties' other statutory or contractual rights. In accordance with NAESB Standard 2.3.11, a meter adjustment or correction becomes a prior period adjustment after the fifth (5th) business day following the Business Month. Any measurement of prior period adjustments are taken back to the production month. These provisions are in accordance with NAESB Standard 2.3.7, which establishes a cutoff for the closing of measurement of 5 business days after business month.

In accordance with NAESB Standard 2.3.14, measurement data corrections should be processed within 6 months of the production month with a 3-month rebuttal period. However, it is recognized that this latter 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 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.

6.7 BILLING

1. **Billing Under All Rate Schedules:** On or before the ninth (9th) business day of each month, GTN shall render a bill to each Shipper under all applicable Rate Schedules for the service(s) rendered during the preceding month, which is in accordance with NAESB Standard 3.3.14, which provides that the imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site.
2. **Third Party Charges.** Shipper shall be responsible for delivering all gas to, and accepting redelivery of all Gas from, Transporter's system, and shall be free to contract with third party(ies) upstream or downstream of Transporter's system to achieve such result. If Shipper requests, and Transporter agrees, Transporter will contract with third party(ies) for the benefit of Shipper and Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay such third party(ies), which charges may include, but are not limited to, reservation and/or usage charges and surcharges, fuel charges, compression fees, balancing or storage fees, measurement fees, processing fees, and/or facility charges. Such charges shall be set forth as separate items on billings rendered to Shipper.
3. **Invoice Consolidation Fee.** GTN may, upon mutual agreement with Shipper, enter into agency agreements on third-party pipelines that will allow GTN to receive third-party pipeline invoices billed to Shipper and consolidate such invoices with GTN's monthly invoice to Shipper. An invoice consolidation fee shall be negotiated between GTN and Shipper for such service. GTN will provide this service on a non-discriminatory basis.

6.8 PAYMENT

1. **Payment Under All Rate Schedules:** On or before the tenth day following the date GTN's bill is rendered in accordance with Section 6.7 paragraph 1 of these General Terms and Conditions, each Shipper under all applicable Rate Schedules shall pay to or upon the order of GTN in lawful money of the United States at GTN's office in Houston, Texas, the amount of the bill rendered by GTN. In accordance with NAESB Standard 3.3.17, party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date. Shipper shall identify invoice numbers on all payments. In the event a Shipper disputes any portion of the invoice, Shipper shall pay that portion of the invoice not in dispute when due and provide supporting documentation identifying the basis for the dispute.
2. **Interest on Unpaid Amounts:** Should Shipper fail to pay the amount of any bill rendered by GTN when such amount is due, interest thereon shall accrue from the due date until paid at the rate of interest effective from time to time under 18 CFR Section 154.501.
3. **Remedies for Failure to Pay:** If a Shipper's failure to pay the undisputed portion of an invoice continues for thirty (30) days after payment is due, GTN, in addition to any other remedy it may have, may suspend further delivery of gas until such amount is paid.

If Shipper's failure to pay extends beyond thirty (30) days after payment is due, in addition to suspending service under Shipper's Transportation Service Agreement(s), GTN shall have the right to terminate service. To the extent that GTN seeks to terminate a Shipper's Transportation Service Agreement, GTN will provide written notice to Shipper, the Commission, and any Replacement Shipper(s) that has obtained temporary release capacity from Shipper, that if Shipper fails to make payment within fifteen (15) days, GTN will terminate Shipper's Transportation Service Agreement(s) and may exercise any other remedy available to Transporter hereunder, at law or in equity.

However, if Shipper, in good faith, disputes the amount of any bill or part thereof by providing written notice of its dispute including documentation identifying the basis of the dispute and (1) promptly pays to GTN the undisputed amount when due, and (2) on or before the due date of such bill, furnishes to GTN a good and sufficient financial assurance acceptable to GTN of the disputed amount (which may be ultimately found due to GTN upon a final determination that may be

reached either by agreement or by judgement of the courts, as may be the case), then GTN shall not be entitled to automatically suspend or terminate service under the Transportation Service Agreement(s) unless and until a default is made in the conditions of the financial assurance; provided further that should Shipper prevail on the dispute, GTN shall reimburse Shipper up to the reasonable and customary costs of the financial assurance provided.

4. Late Billing: If presentation of a bill by GTN is delayed after the date specified in Section 6.7 paragraph 1 hereof, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.
5. Adjustment of Billing Error: In accordance with NAESB Standard 3.3.15, prior period adjustment time limits should be 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 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.

6.9 NOTICE OF CHANGES IN OPERATING CONDITIONS

GTN and Shipper shall each ensure that the other is notified from time to time as necessary of expected changes in the rates of delivery or receipt of gas, or in the pressures or other operating conditions, and the reason for such expected changes, so that they may be accommodated when they occur.

6.10 FORCE MAJEURE

1. If either party shall fail to perform any obligation imposed upon it by these Transportation General Terms and Conditions or by an executed Transportation Service Agreement, and such failure shall be caused, or materially contributed to, by force majeure which means any acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, extreme cold or freezing weather, arrests and restraints of rulers and people, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, inability to obtain pipe, materials or equipment, and any other act, omission or cause whether of the kind herein enumerated or otherwise, including legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, all of which are not reasonably expected and within the control of the party invoking this section and which by the exercise of due diligence such party could not have prevented, the necessity for making repairs to, replacing, or reconditioning machinery, equipment, or pipelines not resulting from the fault or negligence of the party invoking this section, such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of the opposing parties.
2. No such cause as described in Section 6.10 paragraph 1 affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.
3. No cause whatsoever, including without limitation the failure of GTN to perform including the causes specified in Section 6.10 paragraph 1, shall relieve Shipper from its obligations to make payments due, including the payments of reservation charges for the duration of such cause except as provided for in Sections 5.1.3.9 and 5.1.3.10 of Rate Schedule FTS-1.

6.11 WARRANTY OF ELIGIBILITY FOR TRANSPORTATION

Any Shipper transporting gas on the GTN system under this FERC Gas Tariff, Fourth Revised Volume No. 1-A warrants for itself, its successors and assigns, that it will have at the time of delivery of the gas to GTN hereunder good title to such gas and that all gas delivered to GTN for transportation hereunder is eligible for the requested transportation in interstate commerce under applicable rules, regulations or orders of the FERC, or other agency having jurisdiction. Shipper will indemnify GTN and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) costs connected with regulatory proceedings, arising from breach of this warranty.

6.12 POSSESSION OF GAS AND RESPONSIBILITY

GTN shall be deemed to be in control and possession of, and responsible for, all gas delivered from the time that such gas is received by it at the point of receipt to the time that it is delivered at the point of delivery.

6.13 INDEMNIFICATION

Shipper agrees to indemnify and hold harmless GTN, its officers, agents, employees and contractors against any liability, loss or damage whatsoever occurring in connection with or relating in any way to the executed Transportation Service Agreement, including costs and attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, cause of action, or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the executed Transportation Service Agreement, where such liability, loss or damage is suffered by GTN, its officers, agents, employees or contractors as a direct or indirect result of any breach of the executed Transportation Service Agreement or sole or concurrent negligence or gross negligence or other tortious act(s) or commission(s) by Shipper, its officers, agents, employees or contractors.

6.14 ARBITRATION

Any arbitration provided for or agreed to by Shipper and GTN shall be conducted in accordance with the following procedures and principles: Upon the written demand of either GTN or Shipper and within ten (10) days from the date of such demand, each entity shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. If either GTN or Shipper shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a Superior Court of the State of California in accordance with the California Code of Civil Procedure. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either GTN or Shipper such third arbitrator shall be appointed by a Superior Court of the State of California in accordance with the California Code of Civil Procedure.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on both GTN and Shipper, and GTN and Shipper shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators, the fees and expenses of the arbitrator named for each party shall be paid by that party and the fees and expenses of the third arbitrator shall be paid in equal proportion by both GTN and Shipper.

6.15 GOVERNMENTAL REGULATIONS

These Transportation General Terms and Conditions, the rate schedules to which they apply, and any executed Transportation Service Agreement are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

6.16 MISCELLANEOUS PROVISION

1. Waiver of Default: No waiver by either GTN or Shipper of any default by the other in the performance of any provisions of an executed Transportation Service Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.
2. Assignability: An executed Transportation Service Agreement shall bind and inure to the respective successors and assignees of GTN and Shipper thereto, but no assignment shall release either party thereto from such party's obligations without the written consent of the other party, which consent shall not be unreasonably withheld; provided, however, nothing contained herein shall give Shipper the right to reassign or broker its right to ship the quantities of gas specified in the Transportation Service Agreement on GTN's system to others. Further, nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any service agreement.
3. Effect of Headings: The headings used throughout these Transportation General Terms and Conditions, the rate schedules to which they apply, and the executed Transportation Service Agreements are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any section nor to be deemed in any way to qualify, modify or explain the effects of any such terms or provisions.

6.17 TRANSPORTATION SERVICE AGREEMENT

1. Form: Shipper shall enter into a contract with GTN utilizing GTN's appropriate standard form of Transportation Service Agreement.
2. Term: The term of the Transportation Service Agreement shall be agreed upon between Shipper and GTN at the time of the execution thereof.
3. Evergreen Provision:
 - (a) GTN may grant a Shipper's request for an evergreen right for any new firm contract with a term of five (5) years or more that is entered into after the Settlement Effective Date only if the Shipper agrees to provide GTN with its notice of termination no less than five (5) years prior to the termination date of such contract, which termination right the Shipper can elect unilaterally.
 - (b) The evergreen provision in Section 6.17.3(a) above shall only apply to new firm contracts with a term of five (5) years or more and does not apply to (i) Transportation Service Agreements executed prior to the Effective Date of the Stipulation and Settlement approved by the Commission in Docket No. RP23-1099 ("Settlement Effective Date"), (ii) Transportation Service Agreements that may have been executed prior to the Settlement Effective Date but have been extended or renewed after the Settlement Effective Date, (iii) existing Transportation Service Agreements in which the Shipper reduces its MDQ, or (iv) Transportation Service Agreements containing capacity obtained as a result of a permanent capacity release pursuant to Section 6.28 of this Tariff.

6.18 OPERATING PROVISIONS

6.18.1 Requests for Service:

- (a) Any Shipper or prospective shipper desiring service on GTN's system must fully complete the request for service available through the customer activities link on GTN's Internet website.
- (b) Any Shipper desiring enhanced PAL Service under GTN's ATPL must provide the Maximum Quantity Dekatherms and the Maximum Cumulative Tolerance Level, which it desires to be parked and/or loaned on Exhibit A of the PAL Service Agreement as part of the request. Additionally, such Shipper shall identify the designated PAL Point being requested for ATPL.
- (c) GTN will begin processing Shipper's request for service, but GTN does not guarantee that service will be available. GTN will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of this FERC Gas Tariff, including the credit requirements set out in Section 6.18.4 of this Tariff. Standard form Service Agreements for each service offered by GTN are set out in the Form of Service Agreement portion of this Tariff.

Shipper shall not be entitled to receive transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A if Shipper is not current in its payments to GTN for any charge, rate or fee authorized by the Commission for transportation service; provided, however, if the amount not current pertains to a bona fide dispute, including but not limited to force majeure claims relating to this FERC Gas Tariff, Shipper shall be entitled to receive or continue to receive transportation service if it complies with Section 6.8 paragraph 3.

- (d) Shipper's request for service shall be considered null and void if GTN has notified Shipper that a Service Agreement is ready for execution, and Shipper fails to execute the Service Agreement within fifteen (15) days thereafter.
- (e) A Service Agreement will be deemed executed on the earlier of (1) execution of the Service Agreement in writing by Shipper and GTN or (2) execution of the Service Agreement in writing by Shipper and Shipper's subsequent nomination pursuant to such Service Agreement.

6.18.2 Firm Service:

The provisions of this Section 6.18.2 shall be applicable to firm transportation service under Rate Schedules FTS-1, FHS, and LFS-1 contained in this Fourth Revised Volume No. 1-A. Firm transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, GTN determines that firm capacity is available on GTN's existing facilities. GTN shall not be required to provide firm transportation service in the event firm capacity is unavailable or to construct new facilities to provide firm service.

For unsubscribed capacity that becomes generally available, requests for firm capacity shall be accommodated in the following manner and subject to the following conditions and limitations:

- (a) In order to be eligible for firm capacity, a party requesting service (requestor) must be deemed creditworthy per Section 6.18.4 and submit a valid request in accordance with the provisions herein.
- (b) Future Sales of Capacity: GTN may sell firm capacity with service commencement dates more than one year in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal or unilateral evergreen provision, by either conducting an open season or by selling such capacity on a pre-arranged basis.

If GTN conducts an open season, it will post notice of the open season on its Internet website for at least five (5) business days to afford all potential shippers an opportunity to acquire the capacity. Any potential shippers wishing to acquire capacity may request an immediate or future commencement date (if the capacity is currently available) or a future commencement date (if the capacity will become available in the future). GTN will award capacity on an NPV basis consistent with Section 6.18.2(e) of these General Terms and Conditions.

If GTN sells capacity on a pre-arranged basis, GTN will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity. At the time GTN enters into a pre-arranged service agreement, GTN will post a notice on its Internet website indicating that the pre-arranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits a bid with a higher incremental economic value, the pre-arranged Shipper will have a one-time right to match the higher bid in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the highest creditworthy bidder in accordance with Section 6.18.2(e). If there is an

open season ongoing for certain capacity, GTN will not enter into a pre-arranged deal for that capacity during the open season.

GTN will separately identify on its Internet website all capacity that is anticipated to become available and is not subject to a right of first refusal or unilateral evergreen provision. GTN will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet website.

Capacity that is reserved pursuant to this Section 6.18.2(b) will be made available for transportation service on an interim basis up to the commencement date of the service agreement for such capacity. For such interim service agreements, GTN reserves the right to limit Shipper extension rights, including the right of first refusal, within the service agreement. Transporter will indicate in any open season posting of this capacity any limitations on extension rights that will apply to such interim transportation service.

(c) Available Capacity.

GTN will post available capacity on its Internet website. Capacity that becomes available may be subject to an open season bidding process or may be sold on a first-come, first-served basis, as described below.

- (1) To the extent GTN subjects capacity to an open season bidding process, the Bid Period will be a minimum of 1 business day for capacity available for up to 1 month; a minimum of 3 business days for capacity available for greater than one month but less than one year; and a minimum of 5 business days for capacity available for one year or more. All bids not withdrawn prior to the close of the Bidding Period shall be binding. At the end of the Bidding Period, GTN will evaluate the bids and determine the bid(s) having the greatest economic value as determined in Section 6.18.2(e). If GTN does not award capacity through the open season, GTN will post the capacity on its Internet website as available unsubscribed capacity.
- (2) To the extent available capacity is not subject to an ongoing open season bidding process, and GTN receives a request for capacity that reflects continuous service at a constant contract quantity for the entire term of service, GTN will award such capacity on a first-come, first-served basis to shippers that offer the maximum recourse rate if: 1) such request is made within five (5) days of the requested service commencement date for a service term of less than or equal to 92 days; or 2) such request is made within 30 days of the requested service commencement date for a service term greater than 92 days but less than one (1) year.

If GTN receives a request for capacity within six (6) months of the requested service commencement date, and such request reflects continuous service at a constant contract quantity for the entire term of service at the maximum rate for a term of one (1) year or greater, GTN shall either: 1) subject the quantity requested to an open season within five (5) business days of receiving such request and award the capacity at the close of the open season to the Shipper submitting the request/bid with the greatest economic value pursuant to Section 6.18.2(e), below; or 2) honor such request. The option to either conduct an open season or honor a valid request will be at GTN's discretion. If GTN conducts an open season for the requested capacity, the initial valid service request will be included in the open season, however, the Shipper submitting such request may submit a bid with greater economic value during the open season.

GTN may agree, but is not obligated, to sell firm capacity outside these timelines on a not-unduly discriminatory basis.

- (d) After the close of the Bidding Period, GTN may tender a Service Agreement for execution to the requestor(s) submitting the bid(s) having the greatest economic value for the capacity available, subject to the provisions of Section 6.18.2(f).
- (e) Valuation of Bids.

Unless otherwise specified in its open season posting, when evaluating bids for long-term firm capacity with terms of less than three years, the bid(s) with the greatest economic value will be the bid(s) with the highest net present value ("NPV") based on (1) the reservation charge and any proposed usage charge revenues guaranteed by a minimum volume commitment or otherwise that requestor(s) would pay at the rates the requestor(s) has bid, and (2) the term of service specified in the request. If the economic values of separate bids are equal, then service shall be offered to such requestors on a pro-rata basis.

The NPV is the discounted cash flow of the bid according to the following formula, net of revenues lost or affected by the requests for service:

$$\text{Present Value per} = P * R * \frac{(1 + i)^n - 1}{i(1 + i)}$$

where: P = percent of the rate or charge that the Shipper is willing to pay.

R = Rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth in effect at the time of the bid for service.

i = FERC's annual interest rate divided by 12.

n = number of periods for which the bidder wishes to contract.

The NPV formula will be affected by the term and rate requested. In the event GTN intends to entertain bids for service under index-based or other Negotiated Rate Formulae, the future value of which cannot be determined at the time of the bidding, GTN shall estimate the future revenues to be received under the Negotiated Rate Formula using currently available data.

Unless otherwise specified in its open season posting, when evaluating bids for long-term firm capacity with terms of three years or more, the bid(s) with the highest NPV will additionally take into account a third factor: Shipper's probability of default for the applicable bid term.

The NPV is the discounted cash flow of the bid according to the following formula, net of revenues lost or affected by the requests for service:

$$\text{Present Value per} = P * R * (1-PD) * \frac{(1+i)^n - 1}{i(1+i)^n}$$

where: P = percent of the rate or charge that the Shipper is willing to pay.

R = Rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth in effect at the time of the bid for service.

PD = Shipper's probability of default for the applicable bid term.

i = FERC's annual interest rate divided by 12.

n = number of periods for which the bidder wishes to contract.

The NPV formula will be affected by the term and rate requested and Shipper's probability of default.

GTN will use S&P's most recent "Global Corporate Average Cumulative Default Rates By Rating Modifier" table, published on S&P's website, as extrapolated to reflect the maximum bid term to be used for evaluation purposes, to quantify Shipper's probability of default. The probability of default table will define a bidder's probability of default based upon (1) the applicable bid term and (2) the unenhanced senior unsecured debt rating of the Shipper. In order to increase the NPV of its bid, a Shipper may elect to post additional collateral in one-year increments, thereby reducing, by a like number of years, the time horizon (years) used to define Shipper's probability of default. Shipper unenhanced senior unsecured debt ratings will be determined consistent with Section 6.18.4 of these General Terms and Conditions. Where Shipper has established creditworthiness pursuant to Section 6.18.4.2, paragraph (1)(i), GTN, upon Shipper's request, will substitute such ratings of the Shipper with that of its guarantor.

The specific bid evaluation methodology to be used, including, where appropriate, the data to be used for evaluation of Negotiated Rate Formula bids, will be included as part of GTN's open season posting under Section 6.18.2(c) with sufficient specificity to allow a prospective shipper to calculate the value of its bid and duplicate GTN's results.

Irrespective of whether a bid(s) has the highest NPV of the bids received, GTN may reject bids for service that (i) may detrimentally impact the operational integrity of Transporter's system; (ii) do not satisfy all the terms of the specified posting; or (iii) contain terms and conditions other than those set forth in GTN's FERC Gas Tariff.

If the NPV of any Negotiated Rate revenues would exceed the NPV of the revenue stream produced by paying the Maximum Rate over the same period of time, then the Shipper bidding the Negotiated Rate shall be considered to be paying the Maximum Rate for purposes of determining the bid with the greatest economic value.

- (f) A Service Agreement tendered by GTN to requestor(s) or winning bidder(s) shall be executed as set forth above in Section 6.18.1.
- (g) Except as provided in Section 6.28, GTN shall not be obligated to tender or execute a Service Agreement for service at any rate less than the Maximum Rate set forth in the Statement of Effective Rates and Charges applicable to the service requested.
- (h) A Shipper receiving firm service shall not lose its priority for purposes of Section 6.19 by the renewal or extension of term of that service; provided, however, any renewal or extension must be pursuant to a rollover or evergreen provision of the Service Agreement. Shipper's preexisting priority shall not apply, however, to any increase in transportation quantity or new primary point of delivery.

6.18.3 Interruptible Service.

The provisions of this Section 6.18.3 shall be applicable to interruptible transportation service under Rate Schedules ITS-1 and IHS contained in this Fourth Revised Volume No. 1-A.

- (a) Interruptible transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, capacity is available in GTN's existing facilities, which capacity is not subject to a prior claim under a pre-existing agreement pursuant to Rate Schedule FTS-1, ATPL, or under another class of firm service.
- (b) In the event where natural gas tendered by Shipper to GTN at the receipt point(s) for transportation, or delivered by GTN to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with operating arrangements satisfactory to Shipper, GTN and any third party transporting to or from GTN's system.
- (c) GTN shall process requests for interruptible transportation service on a non-discriminatory basis. Available interruptible capacity shall be allocated by GTN first to the Shipper(s) paying the highest rate, followed by a pro-rata tie breaker, as provided for in Section 6.19 of these General Terms and Conditions.

6.18.4 Creditworthiness.

The provisions of this Section 6.18.4 shall be applicable to any agreement, and the party executing such agreement; provided 1) such agreement is subject to the FERC Gas Tariff, Fourth Revised Volume No. 1-A and 2) such agreement includes payment obligations, of any nature, to GTN.

6.18.4.1 Creditworthiness Evaluation.

- (1) GTN shall not be required to commence or continue service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A, on behalf of any Shipper who fails to establish or maintain creditworthiness.
- (2) Determining Creditworthiness.

GTN shall apply consistent evaluation practices to all similarly situated Shippers to determine Shipper's financial ability to perform payment obligations due to GTN over the term of the requested or existing agreement. A credit evaluation shall be performed in accordance with the following:

- (a) Creditworthiness Standard – Shipper will establish creditworthiness if (i) its unenhanced senior unsecured debt securities are rated at least BBB- by Standard & Poor's Financial Services LLC ("S&P") or at least Baa3 by Moody's Investors Service, Inc. ("Moody's"), and (ii) the contractual obligation derived from the sum of reservation charges for the contract term, on a net present value basis, plus applicable commodity charges and any other associated fees and charges, plus the value of any loaned or imbalance gas, is no greater than 10% of Shipper's Tangible Net Worth. GTN will set credit limits at 10% of a Shipper's Tangible Net Worth (defined as total assets, less total liabilities, less intangible assets, less noncontrolling interest, less off-balance sheet obligations). In the event a split rating occurs between rating agencies, GTN will rely upon the lower of the ratings. If Shipper has multiple agreements with GTN, then the total of potential fees and charges of all such agreements shall be considered in determining creditworthiness. Nothing herein shall limit GTN's ability to evaluate any of the factors set forth in Section 6.18.4.1, paragraph (2)(b)(i)–(vii) below where Shipper's creditworthiness is established by a rating agency if such factor(s) would alter GTN's evaluation of Shipper.
- (b) If Shipper does not meet the creditworthiness standard described in part (a) above, GTN may evaluate creditworthiness based upon the level of Shipper's current and requested service(s) with GTN relative to Shipper's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon GTN's evaluation of any or all of the following requested information in (i) through (vii) below.

If Shipper (or its guarantor, as applicable) does not have an unenhanced senior unsecured debt rating, and such rating is required for bid evaluation pursuant to Section 6.18.2(e) of these General Terms and Conditions, Shipper may request that GTN determine an equivalent rating based on the financial rating methodology, criteria, and ratios for the industry of Shipper (or its guarantor, as applicable), based upon any or all of the following requested information in (i) through (vii) below.

- (i) S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.
- (ii) Financial reports whereby consistent financial statement analysis will be applied by GTN to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
- (iii) Whether Shipper is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. GTN may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the Federal Bankruptcy Code if GTN is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.
- (iv) Whether Shipper is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
- (v) The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of GTN's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

- (vi) Whether Shipper has or has had any delinquent balances outstanding for services provided previously by GTN and whether Shipper is paying and has paid its account balances according to the terms established in its agreement(s) (excluding amounts as to which there is a good faith dispute).
- (vii) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the agreement(s).

6.18.4.2 Failure to Establish or Maintain Creditworthiness.

- (1) If Shipper fails to establish or maintain creditworthiness as described in Section 6.18.4.1(2), Shipper has the option of receiving or continuing service under this FERC Gas Tariff by providing and maintaining one of the following financial assurances for an amount set forth in Section 6.18.4.2(3) below:
 - (i) **Guarantee:** Shipper may provide a guarantee of financial performance in a form satisfactory and acceptable to GTN and for the term of the agreement from a person or entity which meets the creditworthiness standards discussed in Section 6.18.4.1(2) (guarantor). For these Shippers, the credit limit will be based upon the financial information of the guarantor. A form of guarantee is available on GTN's Internet website. If during the term of service the guarantor does not meet the creditworthiness standards discussed above, GTN may request additional financial assurances as described herein if GTN agrees to release the original guarantor of all obligations at the time Shipper provides the additional financial assurances.
 - (ii) **Cash Security Deposit:** Shipper may provide a cash security deposit for service. GTN will accrue simple interest on cash security deposits at the applicable monthly "Federal Funds (effective)" rate published in the Federal Reserve Statistical Report H.15. Interest will be paid by GTN on an annual basis each September 1 or at the time Shipper's deposit is returned due to either a return to creditworthiness by Shipper or the expiration of Shipper's obligations under its agreement(s).
 - (iii) **Letter of Credit:** Shipper may post an irrevocable standby letter of credit (LC) in a form acceptable to GTN and issued by a bank or financial institution deemed acceptable by GTN. A form of LC is available on GTN's Internet website.
 - (iv) **Any other financial assurance mutually agreed upon by GTN and Shipper.** Such other financial assurance shall be accepted on a nondiscriminatory basis and may include, as related to interruptible service, a prepayment equal to an amount defined by Shipper. Such defined balance prepayment will remain in place until Shipper exhausts its prepaid balance by utilizing interruptible transportation service. At the point Shipper's prepayment is exhausted, GTN may suspend further activity for interruptible service collateralized by a

prepayment. Shipper will not earn interest on defined balance prepayments.

- (2) GTN may deny subsequent requests to substitute financial assurances on a not unduly discriminatory basis and will provide Shipper with a written explanation of any denial of a request to substitute financial assurances.

Within five (5) business days of GTN's notification to Shipper that Shipper has returned to creditworthiness in accordance with Section 6.18.4.1(2) herein, GTN will return Shipper's financial assurance held by GTN along with any applicable interest and interest calculation reconciliations.

Upon expiration of Shipper's obligations under its agreement(s), GTN will return Shipper's financial assurance associated with undisputed invoice amounts within five (5) business days of Shipper paying its final invoice. Any remaining financial assurance will be returned after resolving any and all disputed invoice amounts under the expired agreement(s). In either case, GTN will pay applicable interest and provide Shipper final billing reconciliations detailing interest calculations.

(3) Financial Assurance Requirement Table

Service	Column A: Guarantee Amount	Column B: Cash Security Deposit or Letter of Credit Amount
Firm Service	Contractual obligation derived from the sum of reservation charges, on a net present value basis.	Up to the value of 3 months reservation charges
Interruptible Service	Shipper's highest interruptible service accounts receivable over previous rolling twelve (12) months x three (3). Initial requirement based upon Shipper's anticipated usage for a three (3) month period as determined by Shipper and GTN.	Same as under Column A
Parking and Lending Service	For each Exhibit A executed under Rate Schedule PAL, an amount equal to Maximum Quantity multiplied by the daily PAL rate, as stated on Exhibit A, plus the value of loaned gas in accordance with Section 6.18.4.5.	Same as under Column A, except that the amount shall cover no more than three (3) months
Imbalance Gas	In accordance with Section 6.18.4.6	Same as under Column A

6.18.4.3 Creditworthiness for Capacity Release.

Capacity Release: Pursuant to Sections 6.28.3 and 6.28.6 of this FERC Gas Tariff, a Releasing Shipper has the option of waiving the creditworthiness requirements for temporary releases of capacity for as long as the Releasing Shipper maintains compliance with GTN's creditworthiness requirements. If Releasing Shipper fails to maintain such compliance, GTN will require Replacement Shipper to satisfy GTN's creditworthiness requirements for the remaining term of the temporary capacity release.

6.18.4.4 Collateral Requirements for Expansion Capacity.

Collateral requirements for Expansion Capacity will be separately identified within the nondiscriminatory project requirements included as part of any open season for Expansion Capacity. The amount of collateral (for example, Cash Security Deposit or Letter of Credit) initially required for Expansion Capacity on lateral facilities will be determined by GTN and may be up to the cost of the facilities to be constructed ("Maximum Allowable Collateral Requirement or MACR"). Where new lateral facilities serve multiple Shippers, an individual Shipper's maximum collateral obligation will be for no more than its proportionate share of the MACR ("Shipper's Maximum Collateral Obligation or SMCO"). Subsequent to Expansion Capacity on lateral facilities being placed into service, the SMCO shall be reduced in proportion to contract term or as mutually agreed. Shipper's actual collateral requirement, as identified within the open season project requirements, may be equal to or less than the SMCO ("Shipper's Actual Collateral Obligation or SACO"). Unless otherwise mutually agreed, when the SMCO equals the SACO held by GTN, GTN shall thereafter return Shipper's collateral on either a monthly basis or as mutually agreed with Shipper consistent with the reduction in SMCO. GTN is only permitted to recover the cost of Expansion Capacity on lateral facilities once through either transportation rates or, in the event of Shipper default, by means of the collateral provided through this provision.

6.18.4.5 Credit Requirement for Loaned Gas.

For lending services under GTN Rate Schedule PAL, the credit requirement shall include an amount to adequately account for the value of loaned gas. Such amount will be up to Shipper's Maximum Quantity or Shipper's Maximum Cumulative Tolerance Level for ATPL, as set forth on Exhibit A of its PAL Service Agreement multiplied by the midpoint "Malin" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. GTN shall have no obligation to lend any quantity of gas beyond amounts for which GTN holds security.

6.18.4.6 Credit Requirement for Imbalance Gas Owed to GTN.

For negative imbalances under GTN Rate Schedules, the credit requirement shall include an amount to adequately account for the value of imbalance gas owed to GTN. The credit requirement for imbalance gas will be determined as follows:

- (1) For existing Shippers, the credit requirement shall be up to the product of a Shipper's largest monthly negative imbalance over the most recent twelve (12) month period and the average of NYMEX future prices for the available twelve (12) month period as such prices close on the day the credit requirement is determined.
- (2) For new Shippers, the credit requirement shall be up to the product of ten (10) percent of a Shipper's estimated monthly usage (as estimated by GTN) and the average of NYMEX future prices for the available twelve (12) month period as such prices close on the day the credit requirement is determined. This formula shall be used for the first twelve (12) months of service while a historical record is established; thereafter, security for such Shipper will be determined as specified for an existing Shipper.

6.18.4.7 Notification of Failure to Meet Creditworthiness.

GTN shall have the right, on an ongoing basis, to review Shipper's creditworthiness and acceptability of any financial assurance, and upon GTN's request, Shipper shall provide within three (3) Business Days, or such later date acceptable to GTN, information in order to facilitate such review. If Shipper is found by GTN to be non-creditworthy, GTN will, upon request, inform Shipper in writing as to the reasons. Upon notification by GTN of Shipper's non-creditworthiness status, Shipper must, within five (5) Business Days, pay for one month of service in advance to continue service. Shipper must, within thirty (30) days, provide an acceptable financial assurance as set forth in Section 6.18.4.2. For Shippers utilizing Expansion Capacity on lateral facilities, the financial assurance that must be provided within thirty (30) days shall be in accordance with Section 6.18.4.4. If Shipper fails to provide one of the financial assurances within these time periods, GTN may suspend service immediately (Shippers are not responsible for reservation charges after service is suspended) and may provide simultaneous written notice to Shipper, the Commission, and any Replacement Shipper(s) that service will be terminated in thirty (30) days. GTN also may exercise any other remedy available to it hereunder, at law or in equity.

6.18.5 Estimated Transportation Quantities.

Upon request of GTN, Shipper shall from time to time submit estimates of daily, monthly and annual quantities of gas to be transported, including peak day requirements.

6.18.6 Installation of Facilities.

1. GTN shall not be obligated to install additional facilities, other than those specified in Section 6.4 paragraph 1 herein, that are required to provide or perform any service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A; provided, however, GTN may install at its expense or Shipper may pay, either on a lump sum or incremental fee basis, all or a portion of GTN's costs and expenses incurred for installing and/or operating additional facilities, including the tax-on-tax effect, on a nondiscriminatory basis and under terms that are mutually agreeable. Shipper assumes full responsibility and liability and agrees to hold GTN harmless from any liability of any nature arising from the installation of such facilities by Shipper or Shipper's agent.
2. Contributions in Aid of Construction - GTN may agree to pay or contribute to the cost of building facilities for current or potential Shippers when GTN determines that doing so will result in an economic benefit or when GTN determines that the project is economically neutral to GTN. GTN may conclude that a portion of the facilities are economically beneficial. GTN will evaluate each prospective project hereunder based upon the incremental cost-of-service and incremental revenues which GTN estimates will be generated as a result of the project. When estimating incremental revenues to be generated, GTN will base those revenues upon transportation rates it expects to be able to charge, net of pass-through surcharges, and the incremental billing determinants that GTN anticipates.
3. Pipeline Interconnections – GTN will have the right, regardless of which party designs and constructs the facilities, to require installation of any equipment necessary to: i) accurately monitor the quality of Gas received into its Mainline Facilities and Extension Facilities to ensure that such Gas meets the specifications of its Tariff; ii) maintain the reliability and operational integrity of its Mainline Facilities and Extension Facilities; and iii) enable accurate custody transfer management. In addition, any interconnection will be subject to the following conditions:
 - a) The party seeking the interconnection must be willing to bear the costs of the construction if GTN performs the task. In the alternative, the party seeking the interconnection could construct the facilities itself in compliance with GTN's technical requirements;
 - b) The proposed interconnection must not adversely affect GTN's operations;
 - c) The proposed interconnection and any resulting transportation must not diminish service to GTN's existing customers;
 - d) The proposed interconnection must not cause GTN to be in violation of any applicable environmental or safety laws or regulations with respect to the facilities required to establish an interconnection with GTN's existing facilities;

- e) The proposed interconnection must not cause GTN to be in violation of its right-of-way agreements or any other contractual obligations with respect to the interconnection facilities.

6.19 PRIORITY OF SERVICE, SCHEDULING, AND NOMINATIONS

6.19.1 Priority of Firm Service.

Firm service shall have the highest priority on GTN's System. From time to time, GTN may not have sufficient capacity to accommodate all nominations for firm service through a given segment of its pipeline, Receipt Point, or Delivery Point. In that event, GTN shall schedule firm service using the following priorities.

A. Firm Scheduling Priorities Through Pipeline Segments.

GTN shall first schedule nominations for service within a Shipper's Primary Path. In the event GTN has insufficient capacity to schedule all nominations for service within Shippers' Primary Path, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Primary Path nominations for service along the affected path.

GTN will next schedule nominations for service within a Shipper's Reverse Path. In the event GTN has insufficient capacity to schedule all nominations for service within Shippers' Reverse Paths, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Reverse Path nominations for service along the affected path.

B. Firm Scheduling Priorities Through Receipt Points.

First, GTN shall schedule service to those Shippers for whom the constrained receipt point is a Primary Receipt Point, up to each Shipper's MDQ at that point (plus an allowance for fuel). In the event full service cannot be provided to Shippers holding Primary Receipt Point rights, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Primary Receipt Point nominations at that affected point.

GTN shall then schedule service to those Shippers for whom the constrained receipt point is a Secondary Receipt Point. In the event full service cannot be provided, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Secondary Receipt Point nominations at that affected point.

C. Firm Scheduling Priorities Through Delivery Points.

GTN shall first schedule service to those Shippers for whom the constrained Delivery point is a Primary Delivery Point, up to each Shipper's MDQ at that point. In the event full service cannot be provided to Shippers holding Primary Delivery Point rights, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Primary Delivery Point nominations at that affected point.

GTN shall then schedule service to those Shippers for whom the constrained Delivery point is a Secondary Delivery Point. In the event full service cannot be provided, GTN shall prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Secondary Delivery Point nominations at that affected point.

D. Scheduling Priority for Capacity Release.

The Scheduling Priorities set out in this Section 6.19.1 also apply for capacity released under GTN's capacity release program, and are subject to the terms and conditions as specified in an executed firm service agreement between GTN and Shipper. All service under the capacity release program shall be considered firm for purposes of priority of service.

6.19.2 Priority of Interruptible Service.

Interruptible transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A, shall be provided when and to the extent that capacity is available in GTN's existing facilities, subject to the priorities of service set forth herein. GTN will provide interruptible transportation service first to the Shipper(s) paying the highest rate. (Shippers paying a Negotiated Rate that exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate.) For the purposes of Section 6.19.2, the term "highest rate" shall be determined by multiplying the distance in pipeline miles (from the receipt point to the delivery point) by the mileage component(s) of the ITS-1 rate (including applicable surcharges), and then adding the non-mileage component(s) of the ITS-1 rate (including applicable surcharges). In the event of a tie, GTN shall allocate interruptible capacity among interruptible Shippers on a pro-rata basis based on confirmable nominations.

6.19.3 Priority of Authorized Overrun Service.

Authorized overrun service shall have a priority lower than firm, and the same priority as interruptible, as defined above.

6.19.4 Nominations.

(a) Information to be Provided with Nomination.

A Shipper may nominate for transportation service on GTN electronically in accordance with Section 6.34 of the General Terms and Conditions of this Tariff. In accordance with NAESB Standard 1.3.5, all nominations should include Shipper-defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Shippers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of Shipper's contract.

All nominations shall include, at a minimum:

- a daily quantity of gas to be transported (expressed in Dekatherms);
- previously approved and valid receipt and delivery points; and
- shipper defined begin dates and end dates.

Shipper shall provide as a component of its nomination such business conditional data sets as may be required by GTN to enable it to identify, confirm, and schedule the nomination. Shipper shall also prioritize nominated receipts and deliveries when there is more than one supplier and more than one Shipper customer, respectively. Shipper designated priorities will be used to allocate gas when upstream and downstream nominations vary from GTN's Shipper nominations.

Shipper may nominate for any period of days, provided the nomination begin and end dates are within the term of the Shipper's Transportation Service Agreement or exhibit. Such nominations shall be deemed "Standing Nominations." All types of Nominations must be clearly and separately identified so that priorities of service can be distinguished. As required by NAESB Standard 1.3.19, overrun quantities should be requested on a separate transaction.

The receipt of the nomination is notice that all necessary regulatory approvals have been received and that valid upstream and downstream transportation and other contractual arrangements are in place.

(b) Nomination Cycles.

In accordance with NAESB Standard 1.3.2, GTN will utilize the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard 0.3.17):

(i) THE TIMELY NOMINATION CYCLE

On the day prior to gas flow:

1:00 p.m. Nominations leave control of the service requester;

1:15 p.m. Nominations are received by GTN (including from Title Transfer Tracking Service Providers (TTTSPs));

1:30 p.m. GTN sends the Quick Response to the service requester;

4:30 p.m. GTN receives completed confirmations from confirming parties;

5:00 p.m. Service requester and point operator receive scheduled quantities from GTN.

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

(ii) THE EVENING NOMINATION CYCLE

On the day prior to gas flow:

6:00 p.m. Nominations leave control of the service requester;

6:15 p.m. Nominations are received by GTN (including from TTTSPs);

6:30 p.m. GTN sends the Quick Response to the service requester;

8:30 p.m. GTN receives completed confirmations from confirming parties;

9:00 p.m. GTN provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

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

(iii) THE INTRADAY 1 NOMINATION CYCLE

On the Current Gas Day:

10:00 a.m. Nominations leave control of the service requester;

10:15 a.m. Nominations are received by GTN (including from TTTSPs);

10:30 a.m. GTN sends the Quick Response to the service requester;

12:30 p.m. GTN receives completed confirmations from confirming parties;

1:00 p.m. GTN provides scheduled quantities to affected service requester and point operator, including bumped parties (notice to bumped parties).

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

(iv) THE INTRADAY 2 NOMINATION CYCLE
On the current Gas Day:

2:30 p.m. Nominations leave control of the service requester;

2:45 p.m. Nominations are received by GTN (including from TTTSPs);

3:00 p.m. GTN sends the Quick Response to the service requester;

5:00 p.m. GTN receives completed confirmations from confirming parties;

5:30 p.m. GTN provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

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

(v) THE INTRADAY 3 NOMINATION CYCLE
On the current Gas Day:

7:00 p.m. Nominations leave control of the service requester;

7:15 p.m. Nominations are received by GTN (including from TTTSPs);

7:30 p.m. GTN sends the Quick Response to the service requester;

9:30 p.m. GTN receives completed confirmations from confirming parties;

10:00 p.m. GTN provides scheduled quantities to the affected service requester and point operator.

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

- (vi) For purposes of NAESB Standards 1.3.2(ii), (iii), (iv) and (v) (reflected in Sections 6.19.4(b)(ii) through 6.19.4(b)(v) above), the word "provides" shall mean, for transmittals pursuant to NAESB Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

Transporter shall, at the end of each business day, make available to each Shipper information containing scheduled quantities including scheduled intraday nominations and any other scheduling changes.

GTN shall have the discretion to accept nominations at such later times as operating conditions permit and without detrimental impact to other Shippers and upon confirmation that corresponding upstream and downstream arrangements in a manner satisfactory to GTN have been made. In the event later nominations are accepted, GTN will schedule those nominations after the nominations received before the nominations deadline, which is in accordance with NAESB Standard 1.3.6, that states nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.

(c) Changes to Nominations.

(1) Changes to Standing Nominations.

In accordance with NAESB Standard 1.3.7, all nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only 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. A nomination for a period within the start and end dates of a Standing Nomination replaces the Standing Nomination for the specific gas day(s) only and does not replace the remainder of the Standing Nomination.

Such nominations must be received by GTN's Transportation Department in accordance with the scheduling timelines set out in Section 6.19.4(b).

In the event GTN does not receive information of upstream or downstream adjustments, GTN shall use the lesser of the new nomination or the previous nomination.

(2) Intraday Nominations.

In accordance with NAESB Standard 1.3.8, all transportation service providers should allow for intraday nominations. Requests to amend previously scheduled nominations may be accepted during the gas day, subject to operational conditions and, further that corresponding upstream and downstream adjustments in a manner satisfactory to GTN can be confirmed. In accordance with NAESB Standard 1.3.11, such intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. A request to increase a nomination for firm transportation up to the MDQ specified in the Service Agreement will be accommodated to the extent operating conditions permit. Firm intraday nominations other than during the Intraday 2 Nomination Cycle shall have priority over nominated and scheduled interruptible volumes. Interruptible intraday nominations other than during the Intraday 2 Nomination Cycle shall have priority over other nominated and scheduled interruptible volumes subject to the interruptible service priorities set forth in Section 6.19.2.

Intraday Nominations do not have roll-over options and will replace the Standing Nomination only for the duration of the Gas Day. Quantities for Intraday Nominations will be expressed in Dekatherms, and represent the total quantities to be delivered prior to the end of the effective Gas Day.

- (3) In accordance with NAESB Standard 1.3.9, all nominations, including Intraday Nominations, should be based on a daily quantity; thus, an Intraday Nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in transporter's contract or tariff.

(d) Information Reliability.

GTN shall be allowed to rely conclusively on the information submitted as part of the nomination in confirming the nomination for scheduling and allocation. Shipper must provide electronically to GTN Shipper's current designated contact, after hours and emergency telephone numbers. Such information must be updated as often as changes to such information occurs. GTN may rely solely upon the information provided by Shipper and will not be liable to Shipper if Shipper's contact information is outdated and communication attempts with such Shipper are unsuccessful.

(e) Uniform Hourly Rates.

Scheduled quantities will be received and delivered at a uniform hourly rate of confirmed quantity divided by 24, unless as determined by GTN, variance from the hourly rate will not be detrimental to the operation of the pipeline or adversely affect other GTN Shippers.

(f) North American Energy Standards Board Standards.

Nominations for service on GTN shall be further governed by the following standards adopted by the North American Energy Standards Board.

1.3.13; 1.3.14; 1.3.16; 1.3.22; and 1.3.23.

(g) Nomination of Service Fee.

GTN may, upon mutual agreement with Shipper, enter into agency agreements on third-party pipelines that will allow GTN to place transportation service nominations for Shipper on both GTN and other third-party pipelines. A nomination of service fee shall be negotiated between GTN and Shipper for such service. GTN will provide this service on a non-discriminatory basis.

6.19.5 Priority of Parking and Lending (PAL) Service.

ATPL shall be confirmed and scheduled before PAL Service and all other GTN interruptible services provided for in GTN's Tariff.

PAL Service shall have the lowest priority on GTN's system. All other transportation service, including rectification of imbalances, have superior priority to these services.

6.20 CURTAILMENT

GTN shall have the right to curtail, interrupt, or discontinue Transportation Service on any portion of its system at any time for reasons of Force Majeure or when capacity, supply, or operating conditions so require or it is necessary or desirable to make modifications, repairs, or operating changes to its system. GTN shall provide notice of such occurrences as is reasonable under the circumstances.

Capacity may become constrained at individual receipt points, delivery points or on segments of the pipeline. GTN shall exercise this curtailment provision only at the point(s) or segment(s) of the pipeline affected by the constraint. When capacity is constrained or otherwise insufficient to serve all the transportation requirements which are scheduled to receive service, GTN shall first curtail Parking and Lending Service followed by Authorized Overrun Service and Interruptible Service, then Firm Service, as necessary.

If curtailment of Parking and Lending Service is necessary, GTN shall perform it in the opposite order of scheduling as set forth in Section 5.5.2, paragraph 5, of this FERC Gas Tariff.

If curtailment of Interruptible Service and Authorized Overrun Service is necessary, GTN shall perform it in the opposite order of scheduling as set forth in Sections 6.19.2 and 6.19.3 of this Tariff.

If curtailment of Firm Service is necessary, GTN will prorate Shipper's nominated quantity up to Shipper's MDQ, based on all Shipper nominations scheduled to use the capacity at the applicable receipt points, delivery point(s) or mainline segment(s) of pipeline.

6.21 BALANCING

6.21.1 Balancing Gas Receipts and Deliveries.

Balancing of thermally equivalent quantities of gas received and delivered by GTN shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the responsibility of the Shipper whether or not notified by GTN at the time of incurrence of the imbalance. Correction of imbalances shall be scheduled with GTN using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the operational integrity of its system, GTN shall have the right to balance any Shipper's account as conditions may warrant.

Imbalance penalties will apply during constraint periods when it is necessary to maintain or restore the operational integrity of the pipeline system and to ensure: adequate pipeline pressures to provide efficient and reliable transportation services; adequate system line pack to deliver on demand; service to all Shippers for all firm services; and a balanced system for the foregoing purposes. Imbalances shall exist as defined below and be subject to the applicable charges and penalties if not corrected.

(a) Actual Delivered Quantity Exceeds MDQ.

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, which is equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of these Transportation General Terms and Conditions.

Unauthorized Overruns exist when GTN has not authorized deliveries in excess of a Shipper's MDQ. Under these circumstances, GTN may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on GTN's system.

Penalty: For Unauthorized Overruns, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

(b) Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a negative result. Commencing upon notification by

GTN of the existence of the negative imbalance, and to the extent that the GTN system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the 45 day balancing period.

(c) Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a positive result. Commencing upon notification by GTN of the existence of the imbalance, and to the extent that the GTN system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, GTN shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by GTN will be sold in accordance with Section 6.40 of these Transportation General Terms and Conditions, and the proceeds from the sale of confiscated gas will be credited to all Shippers in accordance with Section 6.21.6.

(d) Scheduled Delivery Quantity Exceeds Actual Delivered Quantity.

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 1000 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

(e) Actual Delivered Quantity Exceeds Scheduled Delivery Quantity.

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 1000 Dth whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

6.21.2 Imbalances.

Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. It is recognized and understood that more than one penalty provision may apply to each imbalance incident.

Imbalance and Unauthorized Overruns will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by GTN or the failure of any facility under GTN's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

6.21.3 Penalties.

Interruptible Shippers will be notified whether penalties will apply on the day their volumes are reduced. GTN shall waive non-critical penalties for bumped Shippers on the day of the bump. Waiver of non-critical penalties shall not relieve the Shipper from the obligation to take corrective action to eliminate ongoing imbalances.

6.21.4 Payment of Penalties.

The payment of a penalty in dollars pursuant to this Section 6.21 shall under no circumstances be considered as giving any Shipper the right to deliver or take overrun quantities.

6.21.5 Imbalances Upon Termination of Service.

Upon termination of a Service Agreement, Shipper shall have 60 days to correct any remaining imbalances. After this period has elapsed, GTN shall have the right to retain any positive imbalance quantity without compensation to the Shipper. For negative imbalance quantities, GTN shall charge an amount equal to one hundred ten percent (110%) of the average of the daily midpoint prices reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for the month in which the imbalance is cashed out.

6.21.6 Crediting of Penalties.

- (a) Applicability. Penalty Revenues net of costs incurred by GTN and collected as a result of imposition of any penalty imposed under this Section 6.21 and as provided elsewhere in this FERC Gas Tariff will be refunded annually to all Shippers with interest calculated in accordance with §154.501 of the Commission's regulations.
- (b) Calculation of Credit Amount. Each Shipper shall receive an allocation of penalty revenues based on the proportion of the revenues received during the 12-month period from each Shipper divided by the total revenue received from all Shippers during such period.
- (c) Timing of Credits. Within forty-five (45) days after November 1st of each year, GTN shall determine the total amount of the Net Penalty Revenues received during the previous 12-month period and the portion of such amount to be credited to each Eligible Shipper. Such credits shall be reflected as a credit billing adjustment on the next bills rendered to the Shippers. In the event that such credit billing adjustment would result in a net credit on the total bill to any Shipper, or in the event the Shipper is no longer a Shipper on GTN's system, GTN will pay to such Shipper its share of the Net Penalty Revenues within fifteen (15) days after determination of the amount of the credit due to the Shipper.
- (d) Minimum Credit Amount. GTN shall not be obligated to issue penalty credits during any year in which Net Penalty Revenues are less than or equal to \$10,000.

6.21.7 Imbalance Netting.

A Shipper may net imbalances between its service agreements, provided that GTN will be reimbursed for any transportation and fuel necessary to effectuate such netting. Resolution of imbalances by netting the Shipper's service agreements shall be scheduled with GTN using the nomination process.

6.21.8 Imbalance Trading.

- (a) A Shipper, or its agent, may trade imbalances with other Shippers, their agents or other third-party firms that may conduct imbalance trading for Shippers, provided that GTN will be reimbursed for any transportation and fuel necessary to effectuate such trading. Resolution of imbalances by trading imbalances between Shippers shall be scheduled with GTN using the nomination process.
- (b) Any trading of imbalances must result in each Shipper's imbalance decreasing.
- (c) GTN shall process all imbalance trades at no additional administrative charge.
- (d) Third party imbalance management services will be accommodated on a nondiscriminatory basis as long as these services comply with applicable NAESB standards and do not adversely impact the pipeline's system operations. Third party services will be required to comply with NAESB Nominations and Confirmation Time Limits and meet transporter credit requirements appropriate for the quantity of Shipper imbalance gas for which such third party may be responsible.

6.21.9 Posting Imbalance Trades.

- (a) GTN shall provide free of charge an "Imbalance Trading" location on its Internet website to allow posting of imbalances to facilitate trading.
- (b) GTN shall post a Shipper's imbalance if the Shipper provides written authorization to GTN authorizing it to post such imbalance information on the "Imbalance Trading" section of its Internet website.

6.22 ANNUAL CHARGE ADJUSTMENT (ACA) PROVISION

1. Purpose: GTN shall recover from Shippers the annual charge assessed to GTN by the Federal Energy Regulatory Commission for budgetary expenses pursuant to Section 154.38(d)(6) of the Commission's regulations and Order No. 472 issued May 29, 1987. GTN shall recover this charge by means of an Annual Charge Adjustment (ACA); a per unit rate equivalent to the unit rate assessed against GTN by the Commission shall be included in GTN's transportation rates. (During the period that this ACA provision is in effect, GTN shall not recover in a Natural Gas Act Section 4 rate case annual charges recorded in FERC Account No. 928 assessed to GTN by the Commission pursuant to Order No. 472.)
2. ACA Unit Rate Adjustment: GTN's ACA unit rate shall be the unit rate used by the Commission to determine the annual charge assessment to GTN, and shall be reflected in the Statement of Effective Rates and Charges of this FERC Gas Tariff, Fourth Revised Volume No. 1-A.
3. Affected Rate Schedules: The ACA provision shall apply to all Transportation services that involve the physical movement of gas.

6.23 INFORMATIONAL POSTINGS

GTN shall post on its Internet website its procedures for implementation of and compliance with the Commission's Standards of Conduct regulations. All information required to be posted pursuant to such regulations, including, but not limited to, organizational charts, information on shared facilities and shared operating personnel, discounts granted, and notices of waivers and/or exercises of discretion in the application of tariff provisions, will be provided on GTN's Internet website under "Informational Postings." Such information will be updated as required by applicable regulation(s) issued by the Commission.

6.24 COMPLAINT PROCEDURES

1. Any Shipper or potential Shipper may register a complaint regarding requested or provided transportation service. The complaint should be communicated to GTN's Director, Chief Compliance Officer (CCO) either by e-mail, or by registered or certified mail, or by hand delivery. The CCO's appropriate contact information is available via GTN's Internet website.

Written and electronically submitted complaints must contain the following minimum information:

- Shipper or potential Shipper's name, address, and telephone number;
- Shipper or potential Shipper's contact representative;
- A clear, concise statement of the complaint.

Each complaint will be recorded in GTN's Transportation Service Complaint Log maintained by GTN's Commercial Operations. Complaints will be logged by date and time received by GTN.

2. GTN will initially respond to each complaint within forty-eight (48) hours after the complaint is received by GTN, and GTN will provide a written response to each complaint within thirty (30) days after the complaint is received by GTN. GTN's written response will be sent to Shipper or potential Shipper by certified or registered mail. If the complaint was filed by electronic mail, then GTN shall respond via electronic mail. A copy of all complaints will be filed in the Transportation Service Complaint Log.

6.25 INFORMATION CONCERNING AVAILABILITY AND PRICING OF
TRANSPORTATION SERVICE AND CAPACITY AVAILABLE FOR
TRANSPORTATION

1. Any affiliated or nonaffiliated Shipper or potential Shipper may obtain information concerning the availability and pricing of GTN's transportation services and the pipeline capacity available for transportation by:

(a) Contacting GTN at:

Gas Transmission Northwest LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Phone: 503/833-4300, Option 2

Inquiries may be made orally or in writing. Upon request, GTN will provide to any Shipper or potential Shipper a copy of its FERC Gas Tariff, Fourth Revised Volume No. 1-A, as well as any published notices concerning discounts then available to existing Shippers on the GTN system.

- (b) Accessing GTN's Internet website. The Internet website provides current information concerning the availability and pricing of transportation service on the GTN system, including all effective rates and discount notices, and capacity available for transportation.
 - (c) Accessing GTN's capacity postings under the capacity option in the info postings menu of GTN's Internet website.
2. The procedures to be followed by a potential Shipper requesting transportation service from GTN or by an existing Shipper requesting an amendment to its existing service or additional service from GTN are specified in Section 6.18 of these Transportation General Terms and Conditions.
3. The procedures to be followed by Shippers for submitting nominations for transportation service are specified in Section 6.19 of these Transportation General Terms and Conditions.

6.26 MARKET CENTERS

The Market Center is defined as a point of interconnection between GTN and other pipelines and local distribution companies. GTN shall provide for Market Centers on GTN. Parties wishing to use Market Centers on the GTN system shall contact GTN for this service. At these Market Centers, entities may trade gas quantities without actively shipping the gas either upstream or downstream of the Market Center. Such entities must nominate for the gas transactions in accordance with the nomination procedures of the Transportation General Terms and Conditions of Fourth Revised Volume No. 1-A. An entity's nomination for upstream supply and downstream delivery must match the corresponding upstream Shipper nomination and the downstream customer request.

6.27 PLANNED GTN CAPACITY CURTAILMENTS AND INTERRUPTIONS

1. When GTN needs to temporarily curtail or interrupt service to any Shipper hereunder for the purpose of making planned alterations or repairs, GTN shall give Shipper as much notice as possible of the process so that each Shipper's firm transportation requirements are taken into account in the planning process.
2. In the spring of each year GTN shall publish on its Internet website to all Shippers a schedule of planned major maintenance and repairs which affect system capacity. The schedule shall show the estimated delivery point capacity for the next 12 months.
3. On a daily basis GTN shall post, on its Internet website, capacity for each forthcoming gas day plus the estimated capacity for the next two gas days.

6.28 CAPACITY RELEASE

6.28.1 Eligibility to Release.

A Shipper under the FT or LFS Rate Schedules may release all or a part of its capacity under an existing Transportation Service Agreement on a permanent basis, or on a temporary basis. Any Replacement Shipper which has previously contracted for a Parcel may also release its capacity to another party as a secondary release subject to the terms and conditions described herein. The Releasing Shipper, whether a primary or secondary capacity holder, must comply with the Release Procedures provided in Section 6.28.3 below.

If a Shipper elects to temporarily release its capacity, the obligations associated with the released capacity remain with the original Releasing Shipper. A temporary release is subject to recall, if so specified. Upon temporarily releasing a Parcel, consistent with the terms and conditions described herein, the Releasing Shipper shall remain ultimately liable for all reservation charges billable for the originally contracted service.

At the end of the term of the temporary release, all contractual rights and obligations revert to the original Releasing Shipper.

If a Shipper elects to permanently release all or part of its capacity for the remaining term of Releasing Shipper's existing Transportation Service Agreement, and GTN determines that it will be financially indifferent to the release to the Replacement Shipper, GTN will release Releasing Shipper from all of its obligations arising from service provided pursuant to the existing Transportation Service Agreement prospectively from the date of permanent release. However, Releasing Shipper will remain obligated for any fees, surcharges, or other obligations related to service provided under Releasing Shipper's existing Transportation Service Agreement prior to the date of its permanent assignment. If Shipper's request to permanently release capacity is denied because GTN has a reasonable basis to conclude that it will not be financially indifferent to the release, GTN shall notify the Releasing Shipper and the Replacement Shipper in writing of the reason(s) for such denial.

6.28.2 Types of Releases.

A Releasing Shipper may release a Parcel for a term (Release Term) up to or equivalent to the remaining term under its service agreement with GTN. No rate cap applies to releases of capacity for a period of one year or less only when the release is to take effect on or before one year from the date on which the pipeline is notified of the release. Types of releases include:

NON-PREARRANGED - BIDDING REQUIRED

- (1) Capacity releases that are not prearranged require bidding.

PREARRANGED RELEASES - BIDDING REQUIRED

- (1) Unless capacity is released pursuant to either an asset management agreement or a state-approved retail access program, releases with terms greater than thirty-one (31) days and up to one year require bidding. This type of release allows a right of first refusal for the prearranged bidder. Bidding is pursuant to the methodology selected by the Releasing Shipper.
- (2) Unless capacity is released pursuant to either an asset management agreement or a state-approved retail access program, releases with terms greater than one year at a rate that is less than the maximum applicable tariff rate require bidding up to the maximum applicable tariff rate. This type of release allows a right of first refusal for the prearranged bidder. Bidding is pursuant to the methodology selected by the Releasing Shipper.

PREARRANGED RELEASES - BIDDING NOT REQUIRED

- (1) Releases for any period of thirty-one (31) days or less do not require bidding. Unless capacity is released pursuant to either an asset management agreement or state-approved retail access program, a firm Shipper may not roll over, extend, or in any way continue the release to the same Replacement Shipper using the 31 days or less bidding exemption until 28 days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth herein.
- (2) A release for more than one year at the maximum applicable tariff rate does not require bidding.
- (3) Asset Management Agreements. A release of capacity to an Asset Manager is exempt from bidding if the release contains a condition that the Releasing Shipper may call upon the Replacement Shipper to deliver to or purchase from the Releasing Shipper a volume of gas up to 100 percent of the daily contract demand of the released transportation capacity. If the capacity release is for a period of one year or less, the Asset Manager's delivery or purchase obligation

must apply on any day during a minimum period of the lesser of five months (or 155 days) or the term of the release. If the capacity release is for a period of more than one year, the Asset Manager's delivery or purchase obligation must apply on any day during a minimum period of five months (or 155 days) of each twelve-month period of the release, and on five-twelfths of the days of any additional period of the release not equal to twelve months.

Payments or other consideration exchanged between the Releasing and Replacement Shippers in a release to an Asset Manager are not subject to the maximum rate.

- (4) Retail Access Programs. A release to a marketer participating in a state-regulated retail access program is exempt from bidding when the released capacity will be utilized by the Replacement Shipper to provide the gas supply requirement of retail customers pursuant to a retail access program approved by the state agency with jurisdiction over the local distribution company that provides delivery service to such retail customers.

6.28.3 Notice Requirements.

Any Releasing Shipper electing to release capacity shall submit a notice via GTN's EBB that it elects to release firm capacity. The notice shall set forth the following information:

- (a) Releasing Shipper's legal name, contract number, and the name, e-mail, and telephone number of the individual responsible for authorizing the release of capacity.
- (b) Rate schedule of the Releasing Shipper.
- (c) In accordance with NAESB Standard 5.3.26, the Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:
 - Non-Index-based release - dollars and cents,
 - Non-Index-based release - percentage of maximum rate, or
 - Index-based formula as detailed in the capacity release offer.

The Bids for the given capacity release Offer should adhere to the method specified by the Releasing Shipper. If a volumetric rate is used, Releasing Shipper must indicate whether bids on a reservation charge basis will be accepted as well and if so must specify the method of evaluating the two types of bids.

- (d) Daily quantity of capacity to be released, expressed in Dth/d, at the designated delivery point(s). (This must not exceed Releasing Shipper's maximum contract demand available for capacity release and shall state the minimum quantity expressed in Dth/d acceptable for release.)
- (e) The term of the release, identifying the date release is to begin and terminate. The minimum release term acceptable to GTN shall be one day.
- (f) Whether the Releasing Shipper is willing to consider release for a shorter period of time than that specified in (e) above and if so, the minimum acceptable period of release.
- (g) The receipt and delivery point.
- (h) Whether Option 1, 2, 3, or 4 shall be used to determine the highest valued bid (see Section 6.28.7(a) for a description of bid evaluation options).

- (i) Whether the Releasing Shipper requests to waive the creditworthiness requirements, in accordance with Section 6.18.4.3. Regardless of such request, Releasing Shipper will remain liable for all charges.
- (j) Whether Releasing Shipper is a marketing or other affiliate of GTN.
- (k) If release is a prearranged release, the Prearranged Shipper must be qualified pursuant to the criteria of Section 6.28.6(a) unless waived above. Releasing Shipper shall include the Prearranged Shipper bid information pursuant to Section 6.28.6(b) with its release information and shall indicate whether the Prearranged Shipper is affiliated with GTN or the Releasing Shipper.
- (l) Any special nondiscriminatory terms and conditions applicable to the release, such as whether the Replacement Shipper will be prohibited from changing Primary Points.
- (m) Tie-breaker method preferred: (1) pro rata or (2) order of submission (first-come/first-serve). If none are selected, the system defaults to pro rata.
- (n) Recall provisions. These provisions must be objectively stated, nondiscriminatory, applicable to all bidders, operationally and administratively feasible as determined by GTN and in accordance with GTN's Tariff.
- (o) The minimum rate (percentage of: reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a 100% load-factor basis) acceptable to Releasor for this Parcel.
- (p) Whether the Releasing Shipper is willing to accept contingent bids and, if so, any nondiscriminatory terms and conditions applicable to such contingencies including the date by which such contingency must be satisfied (which date shall not be later than the last day of the Bid Period).
- (q) Whether the Releasing Shipper wants to specify a longer bidding period for its Parcel than specified at Section 6.28.8.

6.28.4 Marketing of Capacity Fee.

GTN may act as a facilitator between a Releasing Shipper and a Replacement Shipper(s) that wishes to contract for that Releasing Shipper's capacity. All such Parcels must be posted on the EBB initially. A posting of a Parcel facilitated by GTN will include both the Parcel by the Releasing Shipper and the bid by the Prearranged Shipper. A marketing of capacity fee shall be negotiated between GTN and Releasing Shipper in a nondiscriminatory manner. Such a fee will apply when: a Releasing Shipper requests GTN to market released capacity, GTN actively markets such capacity beyond posting on the EBB, and such marketing results in capacity being released to a Replacement Shipper.

6.28.5 Posting of a Parcel.

The posting of a Parcel constitutes an offer to release the capacity provided a willing Replacement Shipper submits a valid bid consistent with GTN's Transportation General Terms and Conditions. The posting must contain the information contained in Section 6.28.3. Any specific conditions posted by the Releasing Shipper must be operationally feasible, nondiscriminatory to other Shippers, and in conformance with GTN's Tariffs. If the Parcel is being released as a secondary release, then any recall provisions included in the primary release which may affect the re-release of this capacity must be included in the terms and conditions of the secondary release.

It is the Releasing Shipper's sole responsibility to provide release and Prearranged Shipper bid information in advance of the close of the Posting Period.

Releasing Shippers who elect to release capacity based on nondiscriminatory recall provisions and/or special terms and conditions are required to submit their request to release capacity with sufficient time prior to the close of the Posting Period as stated in Section 6.28.8 for GTN to review and validate that any recall and/or special terms and conditions are not discriminatory.

All Prearranged Shipper bids are subject to the Prearranged Shipper(s) meeting the preliminary qualifications as defined in Section 6.28.6(a) for Replacement Shippers.

A Parcel may be revised or withdrawn by the Releasing Shipper at any time prior to the close of the Posting Period. A Parcel cannot be revised after the close of the Posting Period. In accordance with NAESB Standard 5.3.14, offers should be binding until notice of withdrawal is received by GTN on its Internet website.

6.28.6 Bidding for a Parcel.

(a) Preliminary Qualification.

Replacement Shippers are encouraged to demonstrate creditworthiness in advance of any postings through the customer activities link on GTN's Internet website as credit requirements will take differing amounts of time to process depending on the particular financial profile of Replacement Shippers.

Releasing Shippers may exercise their option to waive the credit requirements, in accordance with Section 6.18.4.3, for any Replacement Shipper wishing to bid on a Parcel posted by that Releasing Shipper. Such waiver must be made on a nondiscriminatory basis. Releasing Shipper must inform GTN of such waiver through the customer activities link on GTN's Internet website before it will authorize such Replacement Shipper's participation with respect to that particular Parcel.

Should a Releasing Shipper waive the credit requirements for a Replacement Shipper, the Releasing Shipper shall be liable for all charges incurred by the Replacement Shipper in the event such Replacement Shipper defaults on payment to GTN for such capacity release service.

Any potential Replacement Shipper may submit a bid for Parcels posted for release. GTN will determine the highest valued bid, based on the bid evaluation method selected by the Releasing Shipper, and verify that the Shipper placing the bid meets GTN's credit requirements before awarding the parcel. Upon notification by GTN of an award of a Parcel, GTN shall complete a new FTS-1, FHS, or LFS-1 contract with the particulars of the awarded Parcel and Replacement Shipper shall execute this new contract electronically.

Once a Replacement Shipper has acquired capacity, authority is granted to the Replacement Shipper to release that capacity, unless the Releasing Shipper has specified that the Parcel cannot be re-released.

The execution of the FTS-1, FHS, or LFS-1 service agreement will constitute an obligation on the part of the Replacement Shipper to be bound by the terms and conditions of GTN's capacity release program as set forth in these Transportation General Terms and Conditions.

(b) Submitting a Bid.

All bids must be submitted through the customer activities link on GTN's Internet website. Such bids shall be "open" for all participants to review. The particulars

of all bids will be available for review but not the identity of bidders. GTN will post the identity of the winning bidder(s) only.

A Replacement Shipper cannot request that its bid be "closed", nor can a Releasing Shipper specify that "closed" bids be submitted on its releases. A Replacement Shipper may submit only one bid per Parcel posted at any one point in time. Bids received after the close of the Bid Period shall be invalid. The Replacement Shipper may bid for no more than the quantity of the Parcel posted by the Releasing Shipper. Simultaneous bids for more than one Parcel are permitted.

A valid bid to contract for a Parcel must contain the following information:

- (1) Replacement Shipper's legal name, e-mail, telephone number and the name of the individual responsible for authorizing the bid.
 - (2) The identification of the Parcel bid on.
 - (3) Term of service requested. The term of service must not exceed the term included in the Parcel.
 - (4) Percentage of the applicable maximum rate or price in dollars and cents per Dth/d, that the Replacement Shipper is willing to pay for non-index-based releases or the index-based formula as detailed in the capacity release offer. A Replacement Shipper may not bid below the minimum applicable charge or rate.
 - (5) The quantity desired not to exceed the quantity contained in the Parcel, expressed on a Dth/d delivered basis and greater than the minimum quantity acceptable to Replacement Shipper.
 - (6) Whether or not Replacement Shipper is an affiliate of the Releasing Shipper.
 - (7) An affirmative statement that Replacement Shipper agrees to be bound by the terms and conditions of Rate Schedule FTS-1 and GTN's capacity release provisions in its tariff.
 - (8) Whether the bid is a contingent bid.
- (c) Confirmation of Bids.

It is the Replacement Shipper's sole responsibility to confirm the correctness of the submitted bid and to take any corrective action necessary by resubmitting a bid

when notified of an invalid or incomplete bid by GTN. This must be done before the close of the Bid Period.

(d) Withdrawn or Revision of Bids.

A previously submitted bid may be withdrawn or revised and resubmitted at any time prior to the close of the Bid Period with no obligation on the Replacement Shipper's part. In accordance with NAESB Standard 5.3.15, bids cannot be withdrawn after the bid period ends. Resubmitted bids must be equal to or greater in value than the initial bids. Lower valued bids will be invalid. In accordance with NAESB Standard 5.3.13, bids should be binding until notice of withdrawal is received by GTN on its Internet website.

6.28.7 Allocation of Parcels.

(a) Primary Allocation.

In accordance with NAESB Standard 5.3.3, winning bids for Parcels shall be awarded based on one of the following options to be selected by the Releasing Shipper when posting a Parcel:

Option 1 - Highest Rate Equivalent

Bids will be given priority based on the maximum rate bid as represented by (1) a Replacement Shipper's bid of the percentage of the maximum authorized reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a 100% load factor basis, or (2) a Replacement Shipper's bid in terms of absolute dollars and cents per Dth. A bid queue will be maintained for each individual Parcel.

Option 2 - Present Value

Bids will be given priority based on the net present value of the bid according to the following formula:

$$\text{Present Value per} = P * R * \frac{(1 + i)^n - 1}{i (1 + i)^n}$$

where: P = percent of the maximum authorized rate or charge that the Replacement Shipper is willing to pay.

R = Rate or charge calculated as: The applicable maximum authorized reservation charge(s) per Dth [or a volumetric equivalent of the maximum reservation charge(s) applicable to the Parcel on a 100% load factor basis] in effect at the time of the bid for service from the same receipt point to the same delivery point under the Releasing Shipper's rate schedule.

For short-term capacity releases not subject to a rate cap, P * R shall equal a Replacement Shipper's bid in terms of absolute dollars and cents per Dth.

i = FERC's annual interest rate divided by 12.

n = number of periods for which the bidder wishes to contract, not to exceed the maximum periods to be released by the Releasing Shipper. For releases greater than or equal to one month, the period is the number of months. For releases less than one month the period is the number of days.

A bid queue will be maintained for each individual Parcel.

Option 3 - Net Revenue

Bids will be given priority based on the net revenue for the term of the bid.

Option 4 – Releasing Shipper’s Bid Evaluation Methodology

The Releasing Shipper may establish a method for evaluation of the highest valued bid. The Releasing Shipper must specify the evaluation method and provide an example of the evaluation method with each individual Parcel. In this event, GTN shall evaluate the bids in accordance with the Releasing Shipper’s method and allocate the capacity to the highest valued bid. The Releasing Shipper’s bid evaluation methodology must be objective and non-discriminatory. In the event the Releasing Shipper does not specify how capacity will be allocated when there are multiple highest valued bids, the capacity will be allocated on a pro rata basis.

If Releasing Shipper does not specify an option for determining best bid, Option 2 will be the default option used.

Under all options, GTN will evaluate and rank all bids for Parcels. For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology.

(b) Right of First Refusal.

In the event of a Prearranged Shipper's bid for a Parcel, pursuant to the methodology specified by the Releasing Shipper, if the bid submitted by a subsequent Replacement Shipper exceeds the value of the Prearranged Shipper's bid, the Prearranged Shipper will be allowed to match the higher valued bid. The Prearranged Shipper will be allowed a match period, as specified in Section 6.28.8, to match the higher valued bid, otherwise, the allocation will be awarded to subsequent Replacement Shipper(s) in accordance with the primary and secondary allocation mechanisms.

(c) Secondary Allocation.

To the extent there is more than one Replacement Shipper submitting a winning bid, the Parcel shall be allocated based on one of the following tie-breaker methodologies to be selected by the Releasing Shipper: pro rata or order of submission (first come/first serve).

(d) Confirmation of Allocation.

Upon each completion of an allocation, the successful Replacement Shipper(s) will be notified of the terms under which they have contracted for the awarded Parcel. The notification will be provided in the form of an e-mail to the Replacement Shipper(s). Such notification will be sent within one hour of completion of the allocation. The notice will include the Replacement Shipper's Rate Schedule FTS-1, FHS, or LFS-1 service agreement number and the pertinent terms of the Replacement Shipper's bid as well as any additional terms specified by the Releasing Shipper.

(e) Expired Bids.

All unfulfilled bids, as well as any unfulfilled portions of bids which receive a partial award, will become ineffective as of the completion of bid reconciliation and the close of the Bid Period.

6.28.8 Scheduling of Parcels, Bids and Notifications.

In accordance with NAESB Standard 5.3.2, the following timelines, stated in CCT, apply to capacity release transactions.

For biddable releases (1 year or less):

- Offers should be tendered such that they can be posted by 9:00 A.M. on a Business Day.
- Open season ends at 10:00 A.M. on the same or a subsequent Business Day.
- Evaluation period begins at 10:00 A.M. during which 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 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 contract is issued within one hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For biddable releases (more than 1 year):

- Offers should be tendered such that they can be posted by 9:00 A.M. on a Business Day.
- Open season shall include no less than three 9:00 A.M. to 10:00 A.M. time periods on consecutive Business Days.
- 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 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 contract is issued within one hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- 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 NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

- Timely Cycle 12:00 noon
- Evening Cycle 5:00 P.M.
- Intraday 1 Cycle 9:00 A.M.

- Intraday 2 Cycle 1:30 P.M.
 - Intraday 3 Cycle 6:00 P.M.
-
- The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

6.28.9 Capacity Recall and Reput.

(a) Capacity Recall.

Releasing Shipper(s) may, to the extent permitted as a condition of capacity release, recall released capacity (scheduled or unscheduled) in accordance with NAESB Standard 5.3.44. In accordance with NAESB Standard 5.3.55, recall quantities should be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Notification to Replacement Shippers shall be provided by Transporter within one hour of receipt of recall notification.

(b) Capacity Reput.

In accordance with NAESB Standard 5.3.7, capacity that has been recalled by the Releasing Shipper may be reput to the Replacement Shipper in accordance with the reput provisions of the release (See Section 6.28.3(o)). Shipper seeking to reput capacity shall notify GTN of the reput by 8:00 A.M. It is the Releasing Shipper's obligation to notify and secure any necessary agreement by the Replacement Shipper to accept the reput under the terms of the release prior to notifying GTN.

(c) In accordance with NAESB Standard 5.3.8, reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper.

6.28.10 Crediting, Billing Adjustments and Refunds.

(a) Eligibility.

GTN shall provide revenue credits to any Releasing Shipper which releases capacity to a Replacement Shipper pursuant to the provisions of Section 6.28. GTN and Shipper may, in connection with a Negotiated Rate Agreement under a firm rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from, or are in addition to, those set forth in this Section 6.28.10; provided, however, that terms and conditions of service may not be negotiated.

(b) Monthly Crediting Procedure.

Revenue credits for released capacity shall be credited monthly as an offset to a Releasing Shipper's reservation charge (or the volumetric equivalent of the reservation charge on a 100% load-factor basis applicable to the Releasing Shipper. This shall also be referred to in this Section 6.28.10 as the equivalent volumetric rate) payable to GTN under the applicable rate schedule for the service that has been released. GTN shall credit each month to the Releasing Shipper's account 100% of the revenues from the charges invoiced to the Replacement Shipper(s) for the reservation charge (or equivalent volumetric rate).

(c) Billing Adjustments.

GTN shall apply the revenues received from Replacement Shippers to the reservation charge (or equivalent volumetric rate).

Should Replacement Shipper default on payment to GTN of the reservation charge (or equivalent volumetric rate) GTN shall bill Releasing Shipper for such unpaid charges and apply interest to such adjustments in accordance with the provisions of Section 6.8 of the Transportation General Terms and Conditions.

(d) Excess Revenue Credits.

Releasing Shipper is entitled to excess revenue credits resulting when the reservation charge (or equivalent volumetric rate) revenues actually received by GTN from the Replacement Shipper(s) exceed the reservation charge (or equivalent volumetric rate) revenues which would have been received by GTN from the Releasing Shipper if capacity was not released.

(e) Refunds.

GTN shall track all changes in its rates approved by the Commission. In the event the Commission orders refunds of any such rates charged by GTN and previously approved, GTN shall make corresponding refunds to all affected Shippers including Shippers receiving capacity release service

In such instances when rates to Replacement Shippers are reduced, GTN shall make corresponding adjustments to the crediting of revenues to Releasing Shippers for the period such refunds are payable. For capacity release transactions that are not subject to a rate cap, as described in Section 6.28.2 of these General Terms and Conditions, the prevailing rate for the transaction shall be considered just and reasonable and the Replacement Shipper(s) shall not be entitled to receive the refunds referenced herein.

- (f) In the event Releasing Shipper's Transportation Service Agreement is terminated pursuant to these Transportation General Terms and Conditions, and thirty (30) days notice has been provided to Replacement Shipper(s), a Replacement Shipper that currently holds temporary release capacity has the right to elect to contract with GTN at the Replacement Shipper's MDQ for the remaining term of its release contract and at the lesser of (1) the Releasing Shipper's original contract rate, or (2) the maximum recourse rate, provided that the Replacement Shipper satisfies GTN's credit requirements. The Replacement Shipper shall make its election by the end of the thirty (30) day notice period.

If a Replacement Shipper does not elect to contract with GTN at its replacement MDQ for the remaining term of its release contract and at the rate level that the Releasing Shipper originally contracted for, GTN shall have the right to terminate the Replacement Shipper's Transportation Service Agreement following the election period and offer such capacity through an open season posting that will subject the capacity to competitive bidding. In the event Transporter terminates service, Transporter may exercise all remedies available to it hereunder, at law or in equity.

Replacement Shippers with prospective claims to temporary release capacity will not have rights to such capacity. Prospective claims to permanent releases of capacity will be honored to the extent that a Replacement Shipper satisfies GTN's credit requirements.

6.28.11 RESERVED FOR FUTURE USE

6.28.12 Posting Offers to Purchase Released Capacity.

A Shipper desiring released capacity may submit a request to GTN in writing. Such request for capacity shall specify the terms and conditions pursuant to which capacity will be accepted. Such a request shall be posted on GTN's public Internet website for no less than thirty (30) days on an informational basis.

6.29 FLEXIBLE RECEIPT AND DELIVERY POINTS

6.29.1 Firm Service.

(a) Addition of a Receipt Point.

Any firm Shipper receiving service under Part 284 of the Commission's regulations is entitled to use the receipt point specified in its service agreement as a primary receipt point. A firm Shipper may add a secondary receipt point at any time during the life of the contract provided that secondary receipt point is within the Shipper's Primary Path.

Firm Shippers who are billed under a reservation charge and a delivery rate will continue to be billed reservation charges based on the primary receipt point while delivery rates, including fuel and all applicable surcharges, will be calculated on the receipt point actually used.

To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity consistent with Section 6.18.6.

(b) Changing a Receipt Point.

A firm Shipper may change primary receipt points to a different receipt point within its Original Primary Path but will continue to be billed reservation charges and all applicable surcharges based on the original primary receipt point. A firm Shipper may change primary receipt points to a different receipt point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. Changes in receipt points will be permitted provided sufficient receipt point capacity exists at the receiving meter station and subject to any operating constraints. To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

(c) Addition of a Delivery Point.

Each firm Shipper is entitled to an allocation of its MDQ to a delivery point(s) as its primary delivery point(s).

A firm Shipper may add secondary delivery points at any time during the life of the contract provided that the secondary delivery points are within the Shipper's Primary Path. In this case, the firm Shipper will continue to be billed any applicable reservation charges based on the primary delivery point; however, delivery rates, including fuel and all applicable surcharges, will be calculated based on the delivery point actually used.

A firm Shipper with primary deliveries allocated to a minor delivery point may add secondary delivery points to its contract provided that the addition of the secondary delivery point does not materially impact service to other firm Shippers.

To the extent additional meter station capacity is required to effect the delivery point(s) change, and subject to any operating constraints GTN will construct the additional capacity consistent with Section 6.18.6.

(d) Changing a Delivery Point.

A firm Shipper may change primary delivery points to a different delivery point within its Original Primary Path but will continue to be billed reservation charges based on the original primary delivery point. A firm Shipper may change primary delivery points to a different delivery point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. A firm Shipper may not change its Primary Delivery Point to a location that would change the direction of flow of the Shipper's Primary Path as defined in Section 6.1 paragraph 32 of this Gas Tariff, although a Firm Shipper may initiate Reverse Path transactions which rely upon secondary point rights. Changes in delivery points will be permitted provided sufficient delivery point capacity exists at the delivery meter station. To the extent additional meter station and subject to any operating constraints capacity is required to effect the delivery point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

A firm Shipper with primary deliveries allocated to a minor delivery point may change primary delivery points in its contract provided that the change of primary delivery point does not materially impact service to other firm Shippers.

(e) Returning to a Former Receipt or Delivery Point.

A Firm Shipper that changes a Receipt or Delivery Point in accordance with this Section 6.29 or which reacquires capacity that Shipper had released shall be entitled to return to its original Receipt or Delivery Points provided sufficient capacity exists at such point and subject to any operating constraints. To the extent additional facilities are necessary to effectuate such a return, GTN will construct additional capacity at the Firm Shipper's consistent with Section 6.18.6.

6.29.2 Interruptible Service.

(a) Change of a Receipt/Delivery Point.

Interruptible Shippers will have the right to flexible receipt and delivery points, at a lower priority than firm or released services.

(b) Addition of a Receipt or Delivery Point.

Except as otherwise provided in this section, Shippers receiving service under any Part 284 interruptible transportation rate schedule shall be deemed to have access to all receipt and delivery points available under the interruptible transportation rate schedule under which that Shipper is taking service.

6.30 OPERATIONAL FLOW ORDER (OFO) PROCEDURES

1. GTN, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
2. Whenever possible, GTN will identify those Shipper(s) or Operational Balancing Agreement (“OBA”) Operator(s) whose action(s) require GTN to issue an OFO and will limit the applicability of the OFO to such Shipper(s)/OBA Operator(s). If GTN is unable to identify those Shipper(s)/OBA Operator(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s)/OBA Operator(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, GTN may issue an additional OFO applicable to all Shippers and OBA Operators on a nondiscriminatory basis.
3. All OFOs will be posted on GTN's website, to be followed by a facsimile, written notice or other mutually agreeable means of electronic communication to affected Shippers/OBA Operators that will set forth the causes or conditions necessitating the OFO. GTN will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, GTN will provide sufficient notice to Shippers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
 - (a) time and date of issuance;
 - (b) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
 - (c) duration of the OFO (if not specified, the OFO will be effective until further notice);
 - (d) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
 - (e) any other term GTN may reasonably require to ensure the effectiveness of the OFO.

GTN will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. GTN will post a notice on its website informing Shipper(s)/OBA Operator(s) when any OFO in effect will be canceled. Following the issuance of an OFO, GTN will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

4. Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, GTN will, where

practicable, curtail interruptible services prior to issuing an OFO. GTN shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

5. Upon the issuance of an OFO by GTN, it shall be incumbent upon Shipper/OBA Operator to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's service or service at a point covered by an OBA and cause Shipper/OBA Operator to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to three times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities in excess of that allowed under the OFO for the day on which the penalty is incurred. The payment of penalties for Unauthorized Overruns does not create the right to exceed the levels established by an OFO.
6. In the event Shipper/OBA Operator does not respond to the OFO and GTN believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, GTN shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If GTN takes these actions, it shall be made whole by the non-responding Shipper/OBA Operator for all costs that GTN incurs either through retention of penalty revenues or by direct reimbursement by Shipper/OBA Operator. GTN shall not be liable for any costs incurred by any Shipper/OBA Operator in complying with an OFO.
7. GTN shall not be responsible for any damages that result from any interruption in Shipper's/OBA Operator's service that is a result of Shipper's/OBA Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/OBA Operator(s) shall indemnify GTN against any claims of responsibility.
8. Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, GTN will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.
9. Where a nomination is required by GTN to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the Shipper/OBA Operator is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:
 - (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or

- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A Shipper's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

6.31 NEGOTIATED RATES

1. Availability. Notwithstanding anything to the contrary contained in this Tariff, including the provisions of the rate schedules contained herein, GTN and Shipper may mutually agree to a Negotiated Rate under any Agreement, provided that Shipper has not acquired its capacity on a temporary basis under the capacity release provisions of Section 6.28 of these Transportation General Terms and Conditions. If a portion of the capacity under any existing Agreement is agreed to be priced at Negotiated Rates, the existing maximum or discounted tariff rates will continue to apply to the capacity not subject to the Negotiated Rates. As a recourse to the Negotiated Rates, any Shipper may receive service at applicable maximum tariff rates, including surcharges. The Negotiated Rate may be less than, equal to, or greater than the maximum and minimum applicable tariff rate; may be based on a rate design other than straight-fixed variable; and may include a minimum quantity. GTN's Recourse Rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse Rates are set forth in the Rate Sections within this Tariff.

GTN and a Shipper may agree to a Negotiated Rate for the entire term of a Transportation Service Agreement, or may agree to a Negotiated Rate for some portion of the term of a Transportation Agreement. GTN and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's Firm Transportation Service Agreement.

During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to the Shipper's service under the Negotiated Rate Agreement and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate shall not apply to, or be available to, the Shipper. Only those rates, rate components, charges or credits identified by GTN and Shipper in writing as being superceded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Tariff shall remain in effect. At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable tariff rates or charges shall govern any service provided to Shipper.

2. Filing requirement. Unless GTN executes and files a non-conforming agreement, GTN will submit to the Commission on or before the commencement of service under a Negotiated Rate Contract a tariff section stating the exact legal name of the Shipper, Negotiated Rate, the rate schedule, the receipt and delivery points, the contract quantities and, where applicable, the Negotiated Rate Formula underlying a Negotiated Rate for any Negotiated Rate Agreement. The filing will contain a provision that the Negotiated Rate Agreement does not deviate any material respect from the Form of Agreement in the tariff for the applicable rate schedule.

3. Rate Treatment. GTN shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to Negotiated Rate Agreements that were converted from pre-existing discount Agreements to Negotiated Rate Agreements. In those situations, GTN may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenue received; or (b) the discounted tariff rate revenues which otherwise would have been received.
4. Limitations. This Section 6.31 does not authorize GTN to negotiate terms and conditions of service.
5. Capacity Release. Negotiated Rates do not apply as the price cap for capacity release transactions greater than one year.
6. Accounting Treatment. GTN shall maintain separate records for all revenues associated with Negotiated Rate transactions. Transactions related to Negotiated Rate Agreements which originated as a pre-existing discounted service and were subsequently converted will be recorded separately from those originating as Negotiated Rate Agreements. GTN shall record each volume transported, billing determinants, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in GTN's next general rate change application.
7. Shippers paying a Negotiated Rate which exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate for purposes of scheduling, curtailment, and interruption, and calculating the economic value of a request for available/unsubscribed capacity.

6.32 RESERVATION OF CAPACITY FOR EXPANSION PROJECTS

Transporter may elect to reserve, for future expansion projects, unsubscribed firm capacity or capacity under expiring or terminating firm transportation agreements where such agreements do not carry a right of first refusal, or evergreen right, or where Shipper does not exercise its right of first refusal, or where a party has elected termination under an evergreen. Transporter may only reserve capacity for a future expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity as being reserved. Capacity reserved under this section may be reserved for up to one year prior to Transporter filing for certificate approval for the proposed expansion, and thereafter until such expansion is placed into service. Capacity that is reserved for a future expansion will be made available for transportation service on an interim basis up to the in-service date of the expansion project. For such interim service agreements, Transporter reserves the right to limit Shipper extension rights, including the right of first refusal, within the service agreement. Transporter will indicate in any open season posting of this capacity any limitations on extension rights that will apply to such interim transportation service.

Prior to reserving capacity for future expansion projects under this section, the subject capacity must have first been made available pursuant to Section 6.18.2(c) of these Transportation General Terms and Conditions. Capacity that remains available after the posting and bidding procedure outlined in Section 6.18.2(c) may be reserved by Transporter by means of a posting on Transporter's Internet website that shall include:

- (a) A description of the expansion project for which the capacity will be reserved;
- (b) The total quantity of capacity to be reserved;
- (c) The location of the proposed reserved capacity on Transporter's system;
- (d) When Transporter anticipates holding an open season or otherwise posting the capacity for bidding in connection with the expansion project;
- (e) The projected in-service date of the expansion project; and
- (f) On an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis.

If capacity that is reserved for an expansion project is insufficient to fully meet the needs of expansion shippers, the expansion open season posting will include a non-binding solicitation for turnback capacity from Transporter's existing Shippers to serve the expansion project. Transporter shall post, in the Informational Postings section of its website, a non-binding solicitation for expansion project related turnback capacity no

later than 90 days after the close of an expansion project's open season specifying the minimum term for a response to the solicitation.

Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available within 30 days of the date the capacity becomes available.

6.33 RIGHT OF FIRST REFUSAL (ROFR) UPON TERMINATION OF FIRM SERVICE AGREEMENT

Firm Shippers (original capacity holders) under GTN's firm transportation rate schedules of Fourth Revised Volume No. 1-A who: (1) hold capacity for terms greater than or equal to one year at the maximum authorized reservation charge or rate, or (2) hold multi-year seasonal contracts at the maximum authorized reservation charge or rate, for a service not available from GTN for a full twelve consecutive months, shall have the right of first refusal at the expiration of their service agreements, subject to the procedures outlined below. If a Shipper is not otherwise eligible for a right of first refusal as identified above, GTN may offer a contractual right of first refusal on a not unduly discriminatory basis. The right of first refusal does not apply to interim service agreements for capacity that has been reserved for a future expansion project as set forth in Section 6.32 of these Transportation General Terms and Conditions, or capacity that has been sold on a pre-arranged basis pursuant to Section 6.18.2(b) of these Transportation General Terms and Conditions.

No earlier than 13 months and no later than 12 months prior to termination of an original capacity holder's Service Agreement, GTN shall give written notice to original capacity holder that an election is required regarding original capacity holder's right of first refusal. GTN shall require a response from an original capacity holder no later than 12 months prior to the termination of the original capacity holder's Service Agreement. An original capacity holder's response to GTN's notice shall indicate original capacity holder's election to either: 1) terminate its Service Agreement; or 2) not terminate its Service Agreement. In the event an original capacity holder does not respond to GTN's notice at least 12 months prior to the termination of its Service Agreement, and the Service Agreement is not extended pursuant to an evergreen provision, then original capacity holder's failure to respond shall be construed as an election to terminate its Service Agreement at the end of the contract term.

In the event an expansion project is proposed that would utilize capacity on GTN's existing facilities, the sizing of which project could be affected by an original capacity holder's plans regarding the continuation of service, and such proposed expansion project is fully subscribed, then GTN will have the right to give the original capacity holder notice no more than 36 months prior to termination of the original capacity holder's Service Agreement that the original capacity holder's capacity is subject to the right of first refusal election and process. GTN shall require a response from the original capacity holder no later than twenty (20) Business Days from the date the notice is issued. If the original capacity holder elects to terminate, then the original capacity holder's capacity may be reserved by GTN pursuant to Section 6.32 (Reservation of Capacity for Expansion Projects)

At the time an original capacity holder provides its response to GTN's notice regarding its election to terminate or not to terminate its service agreement, GTN will post a notice

on its Internet website that the original capacity holder's service agreement will expire and whether the original capacity holder has either elected or not elected to terminate pursuant to this section.

1. In the event original capacity holder elects termination, original capacity holder shall no longer hold a right of first refusal and GTN shall post the original capacity holder's capacity on GTN's Internet website as available capacity in accordance with Section 6.18.2(c) of these General Terms and Conditions.
2. In the event original capacity holder does not elect termination, GTN will commence open bidding no later than 3 months prior to the service agreement expiration. The bid period will be no less than 5 business days in duration. GTN will notify the original capacity holder of any acceptable bid(s) as soon as practicable, provided, however, that GTN will have no obligation to accept any bid(s) at rates less than the maximum applicable rate in effect. Acceptable bids will be those having the greatest economic value as determined in Section 6.18.2(e). In the event that GTN does not receive any acceptable bids, the original capacity holder shall not be entitled to continue to receive transportation service upon the expiration of its contract except by agreeing to pay the maximum applicable tariff rate. If GTN accepts any bid(s) the original capacity holder will have ten (10) business days from the date of notice to match the accepted bid(s) in order of economic value (highest to lowest), provided that the original capacity holder shall not have to match any bid rate higher than the maximum applicable rate and shall not be subject to the highest incremental rate on the GTN system. GTN will announce the winning bid(s) as soon as practicable after the close of the match period. If the original capacity holder matches an accepted bid, the associated capacity is awarded to the original capacity holder. If the original capacity holder does not match an accepted bid, the capacity shall be awarded to the highest acceptable bid(s). If there is more than one equivalent winning bid, GTN shall award capacity on a pro rata basis. New long-term Shippers will be subject to the highest incremental fuel rate on the GTN system where such fuel rate otherwise applies to expansion shippers on the GTN system. New Shippers must execute a firm transportation service agreement with GTN prior to service commencement. Original capacity holder is allowed to retain a portion of its capacity by matching the NPV, based upon price and term, of acceptable bids, according to the procedure outlined in this provision, provided that the original contract path is maintained.
3. The net present value of revenues to be received from a Shipper bidding a Negotiated Rate shall be calculated using the proposed reservation charge revenues and any proposed usage charge revenues guaranteed by a minimum volume commitment or otherwise. Where the Negotiated Rate is based on a Negotiated Rate Formula, the future value of which cannot be determined at the time of the bidding, GTN shall estimate the future revenues to be received under the Negotiated Rate Formula using currently available data.

4. If there are no acceptable bids received, the rate and terms of continuing service is to be negotiated between original capacity holder and GTN. GTN and original capacity holder shall have 20 business days from the end of the bid period to mutually agree to acceptable terms. In the event GTN and original capacity holder do not mutually agree to continue service, original capacity holder shall no longer hold a right of first refusal and the capacity will be posted as available capacity in accordance with Section 6.18.2(c).

However, if during this 20-day period the original capacity holder agrees to pay the maximum authorized rate, the original capacity holder may determine the term it desires and GTN must extend the original capacity holder's contract accordingly. However, in order to retain the right of first refusal, the original capacity holder must extend its contract at the maximum authorized rate for a term of at least one year.

5. Shippers who terminate their service agreements are not liable for any reservation charges or other charges applicable to the new Shipper contracting for this capacity.
6. Only valid bids will be accepted. In order for a bid to be considered valid, a bidder must be deemed creditworthy per Section 6.18.4 of these Transportation General Terms and Conditions by the close of the bid period. All bids not withdrawn prior to the close of the bid period shall be binding. At the end of the bid period, GTN will evaluate the bids and determine the bid(s) having the greatest economic value as determined in Section 6.18.2(e). Bidders may submit valid bids for all or a portion of the capacity that is subject to a right of first refusal provided that the original contract path is maintained.
7. Right of first refusal rights held by Shipper continue to apply following an election of termination pursuant to existing evergreen language contained in Shipper's Firm Transportation Service Agreement. A Shipper that holds evergreen rights in addition to a right of first refusal under a Firm Transportation Service Agreement must first elect termination under the evergreen provision in order to initiate the right of first refusal process. When either GTN or Shipper elects termination under an evergreen provision, GTN shall not be obligated to continue Shipper's evergreen rights on a contract extended through the right of first refusal process. Shippers may exercise their right of first refusal rights consistent with this Section 6.33.
8. When a right of first refusal process has been completed and there has been no award of capacity, the capacity will be offered pursuant to Transportation General Terms and Conditions Section 6.18.2(c), which governs GTN's sale of generally available capacity where there is no shipper with right of first refusal rights.

9. Unless GTN and Shipper expressly agree otherwise in Shipper's service agreement, a Shipper who has entered into an interim service agreement pursuant to Section 6.18.2(b) or Section 6.32 of these Transportation General Terms and Conditions may not elect to extend such interim service agreement pursuant to this Section 6.33.
10. A Shipper paying a discounted rate or a negotiated rate will not have the right of first refusal, unless otherwise agreed to in writing by GTN.
11. Prior to GTN commencing an open season bidding process in accordance with paragraph 2, above, original capacity holder and GTN may mutually agree to extend the contract term of the existing Service Agreement, thus avoiding the bidding process.

6.34 ELECTRONIC COMMUNICATIONS

1. GTN Internet Website.

GTN shall maintain an Internet website at www.tcplus.com/gtn. Any entity may access this site to review informational postings concerning GTN's system.

2. Electronic Transactions.

Any entity desiring to engage in electronic transactions with GTN through its Internet website shall first execute an electronic transaction agreement. Copies of these agreements may be obtained on GTN's Internet website.

3. Electronic Data Interface.

GTN shall maintain an electronic data interface ("EDI") as required by the standards for electronic delivery mechanisms promulgated by NAESB and incorporated in Section 6.41 of this tariff. EDI is available to any party with access to compatible equipment for electronic communication and transmission of data in accordance with the NAESB standards. A party desiring to utilize this EDI interface first shall execute an Electronic Data Interchange Agreement with GTN. Such Agreement may be either the Standard Form Agreement developed by the NAESB or an alternate Agreement as may be agreed to by the parties. Access to GTN's EDI system is obtained by contacting Commercial Operations through the help line listed on GTN's Internet website.

6.35 RESERVED FOR FUTURE USE.

6.35.1 Reserved for Future Use.

6.35.2 Reserved for Future Use.

6.35.3 Reserved for Future Use.

6.35.4 Reserved for Future Use.

6.35.5 Reserved for Future Use.

6.35.6 Reserved for Future Use.

6.35.7 Reserved for Future Use.

6.35.8 Reserved for Future Use.

6.35.9 Reserved for Future Use.

6.36 RESERVED FOR FUTURE USE

6.37 DISCOUNT POLICY

1. GTN may from time to time offer a discount from the maximum applicable rate for service under any service agreement governed by this FERC Gas Tariff. If and when GTN offers a discount, such discount shall be applied to the base tariff rate.

2. Types of Discounts.

From time to time, GTN and Shipper may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the maximum rates. For example, GTN may provide a specific discount rate based on:

- (a) achievement of a specified quantity levels (including quantity levels above, below, or equal to a specified level);
- (b) specified time periods;
- (c) specified points of receipt, points of delivery, supply areas, defined geographic areas; or transportation paths;
- (d) a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported); or
- (e) published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate: (1) shall not change the underlying rate design; (2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue; and (3) shall, in each service agreement entered into pursuant to Section 6.37 paragraph 2(e), define the rate component(s) to be discounted.

In all circumstances the discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

3. Discount Adjustments for Negotiated Rate Agreements.

A discount-type adjustment to Recourse Rates for Negotiated Rate agreements shall only be allowed to the extent that GTN can meet the standards required of an affiliate discount-type adjustment including requiring that GTN shall have the burden of proving that any discount granted is required to meet competition.

GTN shall be required to demonstrate that any discount-type adjustment for Negotiated Rate agreements does not have an adverse impact on Recourse Rate shippers.

- (a) Demonstrating that, in the absence of GTN's entering into such Negotiated Rate agreement providing for such discount, GTN would not have been able to contract for such capacity at any higher rate, and that Recourse Rates would otherwise be as high or higher than Recourse Rates which result after applying the discount adjustment; or
- (b) Making another comparable showing that the Negotiated Rate discount contributes to more fixed costs to the system than could have been achieved without the discount.

6.38 ADJUSTMENT MECHANISM FOR FUEL, LINE LOSS, AND OTHER UNACCOUNTED FOR GAS PERCENTAGES

The effective fuel and line loss percentages under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, and IHS shall be adjusted downward to reflect reductions and may be adjusted upward to reflect increases in fuel usage and line loss in accordance with this Section 6.38.

1. Computation of Effective Fuel and Line Loss Percentage.

The effective fuel and line loss percentage shall be the sum of the current fuel and line loss percentage and the fuel and line loss surcharge percentage.

2. The Current Fuel and Line Loss Percentage.

- (a) For each month, the current fuel and line loss percentage shall be determined in accordance with Section 6.38 paragraph 2(c) hereof. The current fuel and line loss shall be effective from the first day of such month and shall remain in effect for the month.
- (b) The current fuel and line loss percentage to be applicable for the month shall be posted on GTN's Internet website not less than seven (7) days prior to the beginning of the month.
- (c) The current fuel and line loss percentage for the month shall be determined on the basis of (1) the estimated quantities of gas to be received by GTN for the account of Shippers during such month and (2) the projected quantities of gas that shall be required for fuel and line loss during such month, adjusted for overrecoveries or underrecoveries of fuel and line loss during such month preceding the month in which the current fuel and line loss percentage is posted; provided, that the percentage shall not exceed the maximum current fuel and line loss percentage and shall not be less than the minimum current fuel and line loss percentage set forth on the Statement of Effective Rates and Charges.
- (d) At least thirty (30) days prior to January 1, GTN shall file with the Commission schedules supporting the current fuel and line loss percentages applicable during the twelve (12) months ending October 31.

3. The Fuel and Line Loss Surcharge Percentage.

- (a) For each twelve (12) month period beginning January 1, the fuel and line loss surcharge percentage shall be determined in accordance with Section 6.38 paragraph 3(c) hereof. The fuel and line loss surcharge percentage shall

become effective on January 1 and shall remain in effect for the twelve (12) month period ending December 31.

- (b) At least thirty (30) days prior to each January 1, GTN shall file with the Commission and post, as defined by Section 154.2(d) of the Commission's regulations, the fuel and line loss surcharge percentage, together with supporting documentation.
- (c) The fuel and line loss percentage shall be computed by quantifying GTN's actual fuel and line loss over/under collection position at October 31 of each year and dividing the result by an estimate of the quantities of gas to be delivered by GTN for the account of Shippers over the following twelve (12) month period. The over/under position will be quantified by (i) determining GTN's actual fuel consumption and line losses for each month of the preceding twelve (12) month period and (ii) subtracting the quantities retained by GTN during each month of the preceding twelve (12) month period. If the percentage so determined is +/- 0.0001%, the fuel and line loss surcharge percentage shall be deemed to be zero.

6.39 RESERVED FOR FUTURE USE

6.40 SALES OF EXCESS GAS

GTN may from time to time purchase or sell gas on an interruptible basis at its Stanfield or Kingsgate receipt points as necessary to manage system pressure and maintain system integrity. Prior to purchasing or selling gas pursuant to this section, GTN shall post notice of its intent to purchase or sell gas through its EBB. Purchase or sale of gas shall be made on a nondiscriminatory basis.

6.41 GAS INDUSTRY STANDARDS

Compliance with 18 CFR, Section 284.12

GTN has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, 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:

<u>NAESB Standard</u>	<u>Tariff record</u>
1.2.4	GT&C – Definitions, 6.1(27)
1.3.1	GT&C – Definitions, 6.1(1)
1.3.2(i-iv, vi)	GT&C – Nominations, 6.19.4(b)
1.3.2(v)	GT&C – Nominations, 6.19.4(b)
1.3.5	GT&C – Nominations, 6.19.4(a)
1.3.6	GT&C – Nominations, 6.19.4(b)(v)
1.3.7	GT&C – Nominations, 6.19.4(c)(1)
1.3.8	GT&C – Nominations, 6.19.4(c)(2)
1.3.9	GT&C – Nominations, 6.19.4(c)(3)
1.3.11	GT&C – Nominations, 6.19.4(c)(2)
1.3.19	GT&C – Nominations, 6.19.4(a)
2.3.7	GT&C – Inspection of Equipment and Records, 6.6(3)
2.3.9	GT&C – Definitions, 6.1(7)
2.3.11	GT&C – Inspection of Equipment and Records, 6.6(3)
2.3.14	GT&C – Inspection of Equipment and Records, 6.6(3)
3.3.14	GT&C – Billing, 6.7(1)
3.3.15	GT&C – Payment, 6.8(5)
3.3.17	GT&C – Payment, 6.8(1)
5.3.2	GT&C – Scheduling of Parcels, Bids, and Notifications, 6.28.8
5.3.3	GT&C – Allocation of Parcels, 6.28.7(a)
5.3.7	GT&C – Capacity Recall and Reput, 6.28.9(b)
5.3.8	GT&C – Capacity Recall and Reput, 6.28.9(c)
5.3.13	GT&C – Bidding for a Parcel, 6.28.6(d)
5.3.14	GT&C – Posting of a Parcel, 6.28.5
5.3.15	GT&C – Bidding for a Parcel, 6.28.6(d)
5.3.26	GT&C – Notice Requirements, 6.28.3(c)
5.3.55	GT&C – Capacity Recall and Reput, 6.28.9(a)

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

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

Dataset:

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, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:
1.3.3, 1.3.4, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 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, 1.3.33, 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, 1.3.80, 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:
2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:
2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.10, 2.3.12, 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 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:

Definition:
3.2.1

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,
3.3.18, 3.3.19, 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 Related 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, 4.2.11, 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, 4.3.84, 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, 4.3.107, 4.3.108,
4.3.109, 4.3.110

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.4, 5.3.5, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.16, 5.3.18, 5.3.19, 5.3.20, 5.3.21,
5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.28, 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, 5.3.44, 5.3.45, 5.3.46, 5.3.47,
5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.56, 5.3.57, 5.3.58, 5.3.59,
5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 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, 10.2.8, 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,

10.2.21, 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, 10.2.39

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, 10.3.28, 10.3.29

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

NAESB Standard

Waiver or Extension of Time

6.42 PRESSURE COMMITMENTS

1. By mutual agreement, Transporter may, on a non-discriminatory basis, enter into minimum or maximum receipt or delivery pressure commitments with Shippers at a location specified on Transporter's side of custody transfer points. Transporter may specify conditions to ensure that such commitments do not have any adverse effect on Transporter's system. Transporter will not agree to a minimum or maximum receipt or delivery pressure that will render it unable to meet its existing firm obligations. In addition, Transporter will not be required to enter into pressure commitments that will alter its available capacity. Upon request, Transporter will provide a written explanation to Shipper explaining the operational basis for rejecting any request for a pressure commitment.

Prior to executing a Transportation Service Agreement with a pressure commitment that would require the dedication of capacity in excess of a potential shipper's contractual MDQ, Transporter will post a notice of the potential agreement on its Internet website for five (5) business days. Transporter will post the requested contract MDQ, primary receipt and delivery points, term, and rate. Any potential shipper wishing to acquire the same capacity but without a pressure commitment may submit a request for such capacity during the posting period. Such requests will be awarded on an NPV basis consistent with Section 6.18.2(e) of these General Terms and Conditions.

2. Absent an event of Force Majeure (in which case the provisions of Section 6.10 of these General Terms and Conditions shall apply), if Transporter fails to meet a minimum or maximum receipt or delivery pressure commitment made pursuant to an Agreement, then for each day Transporter so fails to meet the pressure commitment (a "Credit Day"), Shipper shall be entitled to a Reservation Charge Credit calculated in the manner hereinafter set forth:

The Reservation Charge Credit for each Credit Day for a particular Shipper shall be computed as follows:

Reservation Charge Credit
for Each Credit Day $= A \times (B - C)$

Where:

A = Shipper's applicable daily Reservation Rate components

B = Shipper's confirmed daily nomination for the Credit Day

C = Actual quantity of gas delivered for Shipper's account for the Credit Day

This Reservation Charge Credit is Shipper's sole remedy for Transporter's failure to meet a pressure commitment provided for in an Agreement.

6.43 PRESSURE AT POINT(S) OF RECEIPT AND DELIVERY

1. Pressure at Point(s) of Receipt.

Unless otherwise agreed to by the parties, Shipper shall cause the gas to be delivered to GTN at the point(s) of receipt at a pressure sufficient to allow the gas to enter GTN's existing pipeline system at the varying pressures that may exist in the system from time to time.

2. Pressure at Point(s) of Delivery.

Unless otherwise agreed to by the parties, GTN shall deliver the gas to be transported to or for the account of Shipper at the pressures existing in GTN's system at the point(s) of delivery.

FORM OF SERVICE AGREEMENT

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FTS-1. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement.

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV

Rate(s), Rate Schedules,
and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

"GTN"	GAS TRANSMISSION NORTHWEST LLC 700 Louisiana Street, Suite 700 Houston, Texas 77002-2700
-------	--

Attention: Commercial Operations

"Shipper"

Attention:

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

EXHIBIT A
TO THE FIRM TRANSPORTATION AGREEMENT
Dated _____

Between

GAS TRANSMISSION NORTHWEST LLC

and _____

Start Date	End Date	Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d	<u>Pressure Commitments</u> <u>(if applic able)</u>	
					Receipt Point Min / Max (Psig)	Delivery Point Min / Max (Psig)
_____	_____	_____	_____	_____	_____	_____

(Add additional lines as needed)

RESERVED FOR FUTURE USE

FORM OF SERVICE AGREEMENT

(For Transportation under GTN's Rate Schedules ITS-1 and IHS)

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between GAS TRANSMISSION NORTHWEST LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on an interruptible basis, to Transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on an interruptible basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into an agreement for interruptible transportation service in Contract No. _____ on _____. Service under Contract No. _____ commenced on _____, as reflected in Section 2.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Interruptible Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and the applicable Rate Schedule. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II Term

- 2.1 The service commencement date is _____, and service shall continue until _____, or until terminated by Shipper or GTN upon thirty (30) days written notice.

III Rate(s), Rate Schedules, and General Terms and Conditions of Service

- 3.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with the applicable Rate Schedule, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein, or in writing or through the customer activities link on GTN's Internet website.

- 3.2 This Agreement in all respects shall be and remains subject to the provisions of the applicable Rate Schedule, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff on file with the FERC, all of which are by this reference made a part hereof.
- 3.3 GTN shall have the right to file with the FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.
- 3.4 The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of GTN that have a higher priority of service.

IV
Miscellaneous

- 4.1 This Agreement shall be interpreted according to the laws of the state of California.
- 4.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 4.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 4.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to.

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper" _____

Attention: _____

- 4.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 4.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 4.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

RESERVED FOR FUTURE USE

FORM OF SERVICE AGREEMENT

APPLICABLE TO PARKING AND LENDING SERVICE
UNDER RATE SCHEDULE PAL

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between GAS TRANSMISSION NORTHWEST LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on an interruptible basis, to park or loan certain quantities of natural gas; and

WHEREAS, GTN is willing to park or loan certain quantities of natural gas for Shipper, on an interruptible basis,

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Parking and Lending Service Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time.
- 1.3 GTN and Shipper agree that the term, Maximum Quantity ("MQ"), PAL Point, and other such terms as applicable for each transaction under this Agreement, shall be communicated by GTN to Shipper in an Exhibit A and executed by Shipper to confirm such terms. Shipper must execute an Exhibit A for each transaction prior to submitting a nomination.
- 1.4 The terms of any such Exhibit A are hereby incorporated by reference in this Agreement. GTN and Shipper agree that the terms of each Exhibit A, together with the terms and conditions of this Agreement, constitute a single Agreement and fully describe the service to be provided and the rights and obligations of GTN and Shipper.
- 1.5 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule PAL. Shipper shall reimburse GTN for such fees at GTN's

designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable.

II Term

- 2.1 This Agreement shall become effective _____, and shall continue until _____, and year to year thereafter until canceled by 30 day(s) prior written notice given by either party to the other. (The term of each transaction shall be specified in the applicable Exhibit A.)

III Rate(s), Rate Schedules, and General Terms and Conditions of Service

- 3.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule PAL, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC. If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth in the Exhibit A attached hereto.
- 3.2 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule PAL, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 3.3 GTN shall have the right to file with the FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.
- 3.4 The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of GTN having a higher priority service.

IV Miscellaneous

- 4.1 This Agreement shall be interpreted according to the laws of the state of California.
- 4.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to this Agreement are in place, or will be in place as of the requested effective date of service.

- 4.3 Shipper agrees to indemnify and hold GTN harmless for refusal to park or loan gas hereunder in the event any upstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 4.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, email, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email, or other means similarly agreed to.

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper" _____

Attention: _____

- 4.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 4.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 4.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

GAS TRANSMISSION NORTHWEST LLC
PARKING AND LENDING (PAL)
AGREEMENT

EXHIBIT A TO PARKING AND LENDING (PAL) SERVICE AGREEMENT

This Exhibit A is entered into by Gas Transmission Northwest LLC (GTN) and _____ (Shipper) and;

WHEREAS, Shipper and GTN have entered into PAL Service Agreement No. _____ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed PAL Service Agreement, constitute a single Parking and Lending Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

COMPANY – Gas Transmission Northwest LLC

COMPANY ADDRESS - Commercial Operations
700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700

SHIPPER -

SHIPPER'S ADDRESS -

PAL Term: _____ to _____

Maximum Quantity ("MQ"): _____

PAL Point: _____

Check applicable PAL Service Option (Parking **and/or** Lending):

_____ PARKING Service

<u>PARKING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>PARK RETURN INFORMATION</u>		
<u>Ratable</u> <u>(Y or N)</u>	<u>Park Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>	<u>Interim Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>	<u>Ratable</u> <u>(Y or N)</u>	<u>Return Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

_____ LENDING Service

<u>LENDING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>LEND RETURN INFORMATION</u>		
<u>Ratable</u> <u>(Y or N)</u>	<u>Lend Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>	<u>Interim Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>	<u>Ratable</u> <u>(Y or N)</u>	<u>Return Period</u> <u>(Date Range)</u>	<u>PAL Rate</u> <u>(\$/Dth/D)</u>
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

_____ Enhanced PAL Service
(ATPL)

	<u>Commencement</u> <u>of Service</u> <u>Option</u>	<u>Termination</u> <u>of Service</u> <u>Date</u>	<u>Maximum</u> <u>Quantity</u> <u>Dekatherms</u>	<u>Daily</u> <u>Rate per</u> <u>Dekatherm</u>	<u>PAL</u> <u>Point</u>
Shipper Authorized Automatic Term Parking/Lending Service (ATPL)	_____	_____	_____	* \$ _____	_____

Maximum Cumulative Tolerance Level: _____ dth

*Maximum Quantity available on a daily basis during the term of this Exhibit A.

This Exhibit A is made and entered into as of _____, 20____.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM HOURLY SERVICE
UNDER RATE SCHEDULE FHS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FHS. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FHS. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement.

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV

Rate(s), Rate Schedules,
and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FHS, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FHS, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

"GTN"	GAS TRANSMISSION NORTHWEST LLC 700 Louisiana Street, Suite 1300 Houston, Texas 77002-2700
-------	---

Attention: Commercial Operations

"Shipper"

Attention:

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

EXHIBIT A
TO THE FIRM HOURLY AGREEMENT
Dated _____

Between

GAS TRANSMISSION NORTHWEST LLC

and _____

Start Date	End Date	Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d	Maximum Hourly Quantity (Delivered) Dth/h	Pressure Commitments (if applicable)	
						Receipt Point Min / Max (Psig)	Delivery Point Min / Max (Psig)
_____	_____	_____	_____	_____	_____	_____	_____

(Add additional lines as needed)

FORM OF SERVICE AGREEMENT
APPLICABLE TO LIMITED FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE LFS-1

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a limited basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a limited basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for limited firm transportation service under Rate Schedule LFS-1. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Limited Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule LFS-1. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term and Number of Limited Days

- 3.1 The service commencement date is _____, and service shall continue until _____.
- 3.2 Shipper and GTN agree that the minimum number of Limited Days will be _____ and the maximum number of Limited Days will be _____.
- 3.3 Shipper _____ agrees _____ does not agree to accept "partial volume day" limiting at the discretion of GTN.

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV
Rate(s), Rate Schedules,
and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule LFS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC. In the event GTN and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.2 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule LFS-1, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.3 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to.

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700

Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper"

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

EXHIBIT A
TO THE LIMITED FIRM TRANSPORTATION AGREEMENT
Dated _____

Between

GAS TRANSMISSION NORTHWEST LLC

and _____

Start Date	End Date	Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d	<u>Pressure Commitments</u> <u>(if applicable)</u>	
					Receipt Point Min / Max (Psig)	Delivery Point Min / Max (Psig)
_____	_____	_____	_____	_____	_____	_____

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

FORM OF MASTER SERVICE AGREEMENT
APPLICABLE TO DAILY FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FTS-1

Master Service Agreement Number: _____

THIS Master Service Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"),

and

_____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN to transport certain quantities of natural gas on a daily firm basis; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper on a daily firm basis.

WHEREAS, GTN and Shipper acknowledge that this is a Master Service Agreement entered into for the purpose of facilitating the contracting process for daily firm service.

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 GTN and Shipper agree that the term, maximum daily quantity, points of receipt and delivery, rates, and other such terms as applicable, for each transaction under this Agreement, shall be communicated by GTN to Shipper in an Award Acknowledgment and executed by Shipper to confirm such terms. Shipper must execute an Award Acknowledgement for each transaction prior to submitting a nomination.

- 1.3 The terms of any such Award Acknowledgment are hereby incorporated by reference in this Agreement. GTN and Shipper agree that the terms of each Award Acknowledgment, together with the terms and conditions of this Agreement constitute a single Transportation Service Agreement and fully describe the service to be provided and the rights and obligations of GTN and Shipper.
- 1.4 GTN and Shipper agree that service provided under this Agreement is daily and will not carry a right of first refusal.
- 1.5 This Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.6 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

II Quantity of Gas

- 2.1 The maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery shall be specified in the applicable Award Acknowledgement.

III Term

- 3.1 This Agreement shall become effective _____, and shall continue until _____. This Agreement shall continue following expiration of the primary term, subject to cancellation by either party upon one month written notice or immediately upon mutual consent. (The term of each transaction shall be specified in the applicable Award Acknowledgement.)

IV Rate(s), Rate Schedules, and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FTS-1, or superseding rate schedule(s), on file

with and subject to the jurisdiction of FERC. In the event GTN and Shipper agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth in the applicable Award Acknowledgement.

- 4.2 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.3 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, any notice and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail or other means similarly agreed to:

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper" _____

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.
- 5.8 Award Acknowledgement(s) for service under this Agreement is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

FORM OF AWARD ACKNOWLEDGEMENT
(For Use with Master Service Agreement)

This Award Acknowledgment is entered into by Gas Transmission Northwest LLC (GTN) and _____ (Shipper); and

WHEREAS, Shipper and GTN have entered into Master Service Agreement No. _____ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed Master Service Agreement, constitute a single Transportation Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

CONFIRMATION OF DAILY FIRM TRANSPORTATION SERVICE

Contract No.:	_____	Start Date:	_____
Rate Schedule:	_____	End Date:	_____
MDQ:	_____	Rec. Point:	_____
		Del. Point:	_____

RATE INFORMATION

Total Rate: _____

Fuel to be provided in-kind in accordance with GTN tariff.

Contract must be signed electronically through the customer activities link on GTN's Internet website before nominations can be accepted.

Signed By: _____

Date: _____

Index

- Fourth Revised Volume No. 1-A	3.0.0	5/15/2020
1 - TABLE OF CONTENTS	15.0.0	11/21/2024
2 - PRELIMINARY STATEMENT	2.0.0	4/4/2011
3 - MAPS	4.0.0	6/1/2015
4 - STATEMENT OF RATES	2.0.0	4/4/2011
4.1 - FTS-1, LFS-1, and FHS Rates	22.0.0	4/1/2024
4.2 - ITS-1 and IHS Rates	13.0.0	4/1/2024
4.3 - Footnotes to Statement of Effective Rates and Charges	20.0.0	4/1/2024
4.4 - Reserved For Future Use	3.0.0	6/27/2011
4.5 - Parking and Lending Service	11.0.0	4/1/2024
4.6 - Negotiated Rate Agreements - FTS-1 and LFS-1	15.0.0	11/1/2024
4.7 - Footnotes for Negotiated Rates - FTS-1 and LFS-1	15.0.0	7/17/2024
4.8 - Negotiated Rate Agreements - ITS-1 and PAL	5.0.0	6/1/2015
4.9 - Footnotes for Negotiated Rates - ITS-1 and PAL	5.0.0	6/1/2015
4.10 - Non-Conforming Service Agreements	4.0.0	10/26/2015
5 - RATE SCHEDULES	3.0.0	6/1/2015
5.1 - Rate Schedule FTS-1 - Firm Transportation Service	2.0.0	4/4/2011
5.1.1 - Availability	2.0.0	4/4/2011
5.1.2 - Applicability and Character of Service	4.0.0	4/1/2024
5.1.3 - Rates	3.0.0	6/27/2011
5.1.3.1 - Reservation Charge	3.0.0	6/27/2011
5.1.3.2 - Delivery Charge	2.0.0	4/4/2011
5.1.3.3 - Extension Charge	2.0.0	4/4/2011
5.1.3.4 - Authorized and Unauthorized Overruns	4.0.0	4/1/2024
5.1.3.5 - Applicability of Surcharges	4.0.0	4/1/2024
5.1.3.6 - Discounts	3.0.0	9/1/2014
5.1.3.7 - Backhauls	2.0.0	4/4/2011
5.1.3.8 - Capacity Release	3.0.0	6/1/2015
5.1.3.9 - Reservation Charge Credit - Force Majeure Event	5.1.0	1/12/2012
5.1.3.10 - Reservation Chg. Credit - Non-Force Majeure Event	5.1.0	1/12/2012
5.1.3.11 - Reservation Charge Credit - Confirmable Nominations	3.0.0	1/12/2012

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

- 5.1.3.12 - Negotiated Rates 1.0.0 9/1/2014**
- 5.1.4 - Fuel and Line Loss 2.0.0 4/4/2011**
- 5.1.5 - Transportation General Terms and Conditions 2.0.0 4/4/2011**
- 5.2 - Rate Schedule LFS-1 - Limited Firm Transportation Service 2.0.0 4/4/2011**
- 5.2.1 - Availability 2.0.0 4/4/2011**
- 5.2.2 - Applicability and Character of Service 2.0.0 4/4/2011**
- 5.2.3 - Rates 3.0.0 6/27/2011**
- 5.2.3.1 - Reservation Charge 3.0.0 6/27/2011**
- 5.2.3.2 - Delivery Charge 2.0.0 4/4/2011**
- 5.2.3.3 - Extension Charge 3.0.0 6/27/2011**
- 5.2.3.4 - Authorized and Unauthorized Overruns 4.0.0 4/1/2024**
- 5.2.3.5 - Applicability of Surcharges 2.0.0 4/4/2011**
- 5.2.3.6 - Discounted Transportation Rates 2.0.0 4/4/2011**
- 5.2.3.7 - Backhauls 2.0.0 4/4/2011**
- 5.2.3.8 - Capacity Release 2.0.0 4/4/2011**
- 5.2.3.9 - Negotiated Rates 3.0.0 9/1/2014**
- 5.2.4 - Fuel and Line Loss 2.0.0 4/4/2011**
- 5.2.5 - Notification of Limited Days 2.0.0 4/4/2011**
- 5.2.6 - Transportation General Terms and Conditions 2.0.0 4/4/2011**
- 5.3 - Rate Schedule ITS-1 - Interruptible Transportation Service 2.0.0 4/4/2011**
- 5.3.1 - Availability 2.0.0 4/4/2011**
- 5.3.2 - Applicability and Character of Service 3.0.0 6/1/2015**
- 5.3.3 - Rates 3.0.0 6/1/2015**
- 5.3.3.1 - Interruptible Transportation Charge 3.0.0 6/1/2015**
- 5.3.3.2 - Extension Charge 2.0.0 4/4/2011**
- 5.3.3.3 - Applicability of Surcharges 2.0.0 4/4/2011**
- 5.3.3.4 - Discounts 3.0.0 9/1/2014**
- 5.3.3.5 - Backhauls 3.0.0 6/27/2011**
- 5.3.3.6 - Negotiated Rates 3.0.0 9/1/2014**
- 5.3.4 - Reserved for Future Use 3.0.0 6/1/2015**
- 5.3.5 - Fuel and Line Loss 2.0.0 4/4/2011**
- 5.3.6 - Transportation General Terms and Conditions 4.0.0 4/1/2024**
- 5.4 - Rate Schedule USS-1 - Unbundled Sales Service 2.0.0 4/4/2011**
- 5.4.1 - Availability 2.0.0 4/4/2011**
- 5.4.2 - Applicability and Character of Service 2.0.0 4/4/2011**
- 5.4.3 - Rates and Charges 2.0.0 4/4/2011**

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

- 5.4.4 - Heat Content 2.0.0 4/4/2011**
- 5.4.5 - Measurement Base 2.0.0 4/4/2011**
- 5.4.6 - General Terms and Conditions 2.0.0 4/4/2011**
- 5.4.7 - Form of Agreement 2.0.0 4/4/2011**
- 5.5 - Rate Schedule PAL - Parking and Lending Service 3.0.0 6/1/2015**
- 5.5.1 - Availability 3.0.0 6/1/2015**
- 5.5.2 - Applicability and Character of Service 6.0.0 4/1/2024**
- 5.5.3 - Rates 6.0.0 4/1/2024**
- 5.5.3.1 - ATPL Reservation Charge Credits 0.0.0 4/1/2024**
- 5.5.4 - PAL General Terms and Conditions 3.0.0 6/1/2015**
- 5.6 - Rate Schedule FHS - Firm Hourly Service 5.0.0 1/1/2018**
- 5.6.1 - Availability 5.0.0 1/1/2018**
- 5.6.2 - Applicability and Character of Service 7.0.0 1/1/2018**
- 5.6.3 - Rates 6.0.0 1/1/2018**
- 5.6.3.1 - Reservation Charge 1.0.0 1/1/2018**
- 5.6.3.2 - Delivery Charge 1.0.0 1/1/2018**
- 5.6.3.3 - Extension Charge 1.0.0 1/1/2018**
- 5.6.3.4 - Authorized and Unauthorized Overruns 3.0.0 4/1/2024**
- 5.6.3.5 - Applicability of Surcharges 1.0.0 1/1/2018**
- 5.6.3.6 - Discounts 1.0.0 1/1/2018**
- 5.6.3.7 - Negotiated Rates 1.0.0 1/1/2018**
- 5.6.3.8 - Capacity Release 1.0.0 1/1/2018**
- 5.6.3.9 - Reservation Charge Credits 1.0.0 1/1/2018**
- 5.6.3.10 - Backhauls 1.0.0 1/1/2018**
- 5.6.4 - Fuel and Line Loss 5.0.0 1/1/2018**
- 5.6.5 - Transportation General Terms and Conditions 1.0.0 1/1/2018**
- 5.7 - Rate Schedule IHS - Interruptible Hourly Service 1.0.0 1/1/2018**
- 5.7.1 - Availability 1.0.0 1/1/2018**
- 5.7.2 - Applicability and Character of Service 1.0.0 1/1/2018**
- 5.7.3 - Rates 1.0.0 1/1/2018**
- 5.7.3.1 - Interruptible Charge 1.0.0 1/1/2018**
- 5.7.3.2 - Extension Charge 1.0.0 1/1/2018**
- 5.7.3.3 - Applicability of Surcharges 1.0.0 1/1/2018**
- 5.7.3.4 - Discounts 1.0.0 1/1/2018**
- 5.7.3.5 - Negotiated Rates 1.0.0 1/1/2018**
- 5.7.3.6 - Backhauls 1.0.0 1/1/2018**

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

5.7.4 - Fuel and Line Loss 1.0.0 1/1/2018	
5.7.5 - Transportation General Terms and Conditions 3.0.0 4/1/2024	
6 - GENERAL TERMS AND CONDITIONS OF SERVICE 2.0.0 4/4/2011	
6.1 - Definitions 13.0.0 4/1/2024	
6.2 - Equality of Transportation Service 2.0.0 4/4/2011	
6.3 - Quality of Gas 2.0.0 4/4/2011	
6.4 - Measuring Equipment 3.0.0 9/22/2014	
6.5 - Measurements 2.0.0 4/4/2011	
6.6 - Inspection of Equipment and Records 4.0.0 4/1/2016	
6.7 - Billing 4.0.0 4/1/2016	
6.8 - Payment 5.0.0 4/1/2016	
6.9 - Notice of Changes in Operating Conditions 2.0.0 4/4/2011	
6.10 - Force Majeure 3.0.0 1/12/2012	
6.11 - Warranty of Eligibility for Transportation 2.0.0 4/4/2011	
6.12 - Possession of Gas and Responsibility 2.0.0 4/4/2011	
6.13 - Indemnification 2.0.0 4/4/2011	
6.14 - Arbitration 2.0.0 4/4/2011	
6.15 - Governmental Regulations 2.0.0 4/4/2011	
6.16 - Miscellaneous Provision 2.0.0 4/4/2011	
6.17 - Transportation Service Agreement 5.0.0 11/21/2024	
6.18 - Operating Provisions 2.0.0 4/4/2011	
6.18.1 - Requests for Service 7.0.0 4/1/2024	
6.18.2 - Firm Service 7.0.0 1/1/2018	
6.18.3 - Interruptible Service 6.0.0 4/1/2024	
6.18.4 - Creditworthiness 3.0.0 10/1/2012	
6.18.4.1 - Creditworthiness Evaluation 3.0.0 10/1/2012	
6.18.4.2 - Failure to Establish or Maintain Creditworthiness 4.0.0 6/1/2015	
6.18.4.3 - Creditworthiness for Capacity Release 3.0.0 10/1/2012	
6.18.4.4 - Collateral Requirements for Expansion Capacity 4.0.0 9/22/2014	
6.18.4.5 - Credit Requirement for Loaned Gas 6.0.0 4/1/2024	
6.18.4.6 - Credit Requirement for Imbalance Gas Owed to GTN 3.0.0 10/1/2012	
6.18.4.7 - Notification of Failure to Meet Creditworthiness 4.0.0 9/22/2014	
6.18.5 - Estimated Transportation Quantities 2.0.0 4/4/2011	
6.18.6 - Installation of Facilities 3.0.0 9/22/2014	
6.19 - Priority of Service, Scheduling, and Nominations 2.0.0 4/4/2011	
6.19.1 - Priority of Firm Service 3.0.0 6/1/2015	

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

- 6.19.2 - Priority of Interruptible Service 2.0.0 4/4/2011**
- 6.19.3 - Priority of Authorized Overrun Service 3.0.0 6/27/2011**
- 6.19.4 - Nominations 5.0.0 4/1/2016**
- 6.19.5 - Priority of Parking and Lending Service 5.0.0 4/1/2024**
- 6.20 - Curtailment 5.0.0 6/1/2015**
- 6.21 - Balancing 2.0.0 4/4/2011**
- 6.21.1 - Balancing Gas Receipts and Deliveries 4.0.0 4/1/2024**
- 6.21.2 - Imbalances 4.0.0 4/1/2024**
- 6.21.3 - Penalties 2.0.0 4/4/2011**
- 6.21.4 - Payment of Penalties 2.0.0 4/4/2011**
- 6.21.5 - Imbalances Upon Termination of Service 2.0.0 4/4/2011**
- 6.21.6 - Crediting of Penalties 2.0.0 4/4/2011**
- 6.21.7 - Imbalance Netting 2.0.0 4/4/2011**
- 6.21.8 - Imbalance Trading 2.0.0 4/4/2011**
- 6.21.9 - Posting Imbalance Trades 2.0.0 4/4/2011**
- 6.22 - Annual Charge Adjustment (ACA) Provision 3.0.0 10/1/2013**
- 6.23 - Informational Postings 2.0.0 4/4/2011**
- 6.24 - Complaint Procedures 4.0.0 5/15/2020**
- 6.25 - Information Concerning Transportation Service 3.0.0 6/1/2015**
- 6.26 - Market Centers 2.0.0 4/4/2011**
- 6.27 - Planned GTN Capacity Curtailments and Interruptions 2.0.0 4/4/2011**
- 6.28 - Capacity Release 2.0.0 4/4/2011**
- 6.28.1 - Eligibility to Release 5.0.0 6/1/2015**
- 6.28.2 - Types of Releases 3.0.0 6/1/2015**
- 6.28.3 - Notice Requirements 7.0.0 4/1/2016**
- 6.28.4 - Marketing of Capacity Fee 2.0.0 4/4/2011**
- 6.28.5 - Posting of a Parcel 6.0.0 6/1/2015**
- 6.28.6 - Bidding for a Parcel 10.0.0 1/1/2018**
- 6.28.7 - Allocation of Parcels 7.0.0 1/1/2018**
- 6.28.8 - Scheduling of Parcels, Bids and Notifications 4.0.0 4/1/2016**
- 6.28.9 - Capacity Recall and Reput 4.0.0 4/1/2016**
- 6.28.10 - Crediting, Billing Adjustments and Refunds 3.0.0 10/1/2012**
- 6.28.11 - Reserved for Future Use 4.0.0 6/1/2015**
- 6.28.12 - Posting Offers to Purchase Released Capacity 1.0.0 10/16/2014**
- 6.29 - Flexible Receipt and Delivery Points 2.0.0 4/4/2011**
- 6.29.1 - Firm Service 4.0.0 4/1/2024**

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

- 6.29.2 - Interruptible Service 2.0.0 4/4/2011**
- 6.30 - Operational Flow Order (OFO) Procedures 5.0.0 4/1/2024**
- 6.31 - Negotiated Rates 4.0.0 9/1/2014**
- 6.32 - Reservation of Capacity for Expansion Projects 2.0.0 4/4/2011**
- 6.33 - ROFR Upon Termination of Firm Service Agreement 5.1.0 10/6/2019**
- 6.34 - Electronic Communications 4.0.0 5/15/2020**
- 6.35 - Reserved for Future Use 5.0.0 11/21/2024**
- 6.35.1 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.2 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.3 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.4 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.5 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.6 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.7 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.8 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.35.9 - Reserved for Future Use 3.0.0 1/1/2012**
- 6.36 - Reserved for Future Use 6.0.0 4/1/2024**
- 6.37 - Discount Policy 3.0.0 9/22/2014**
- 6.38 - Fuel Adjustment Mechanism 4.0.0 1/1/2018**
- 6.39 - Reserved for Future Use 5.0.0 11/21/2024**
- 6.40 - Sales of Excess Gas 2.0.0 4/4/2011**
- 6.41 - Gas Industry Standards 9.0.0 6/1/2022**
- 6.42 - Pressure Commitments 0.3.0 11/11/2011**
- 6.43 - Pressure at Point(s) of Receipt and Delivery 0.0.0 9/1/2014**
- 7 - FORM OF SERVICE AGREEMENT 2.0.0 4/4/2011**
- 7.1 - Rate Schedule FTS-1 8.0.0 11/21/2024**
- 7.1.1 - Rate Schedule FTS-1 - Exhibit A 5.0.0 6/1/2015**
- 7.1.2 - Reserved for Future Use 3.0.0 9/1/2014**
- 7.2 - Interruptible Rate Schedules 8.0.0 5/15/2020**
- 7.2.1 - Reserved for Future Use 4.0.0 6/1/2015**
- 7.3 - Rate Schedule PAL 6.0.0 5/15/2020**
- 7.3.1 - Rate Schedule PAL - Exhibit A 7.0.0 4/1/2024**
- 7.4 - Rate Schedule FHS 11.0.0 11/21/2024**
- 7.4.1 - Rate Schedule FHS - Exhibit A 5.0.0 1/1/2018**
- 7.5 - Rate Schedule LFS-1 6.0.0 5/15/2020**
- 7.5.1 - Rate Schedule LFS-1 - Exhibit A 4.0.0 6/1/2015**

**Gas Transmission Northwest Corporation
Fourth Revised Volume No. 1-A
Tariff**

7.6 - Reserved For Future Use 3.0.0 6/27/2011

7.6.1 - Reserved For Future Use 3.0.0 6/27/2011

7.7 - Master Service Agreement - Daily Firm, FTS-1 5.0.0 5/15/2020

7.7.1 - Daily Firm, FTS-1 - Form of Award Acknowledgement 3.0.0 6/1/2015