

FERC Gas Tariff

Third Revised Volume No. 1

of

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP

Filed with

Federal Energy Regulatory Commission

Communications Covering This Tariff Should be Addressed to:

Sorana Linder
Director, Rates, Tariffs and Modernization
Great Lakes Gas Transmission Limited Partnership
Mailing Address: P.O. Box 2446
Houston, TX 77252-2446
Courier Address: 700 Louisiana Street, Suite 1300
Houston, TX 77002-2700
Phone: (832) 320-5209

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PRELIMINARY STATEMENT

Effective April 6, 1990, Great Lakes Gas Transmission Limited Partnership (Great Lakes) became the successor and assignee of TransCanada Northern Border Inc. Great Lakes was certificated to construct and operate a pipeline system extending from the international boundary near Emerson, Manitoba, to Sault Ste. Marie, Michigan and St. Clair, Michigan. By means of such facilities, Great Lakes is authorized to transport natural gas in interstate commerce.

The currently effective system maps are available on Great Lakes' internet website at
<http://tcplus.com/Great%20Lakes/SystemMap>.

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STATEMENT OF RATES

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP

Open Access Rates
 Firm Transportation Service
 Rate Schedule FT 6/

	Western Zone 1/ 2/ 3/ Deliveries	Central Zone 1/ 2/ 3/ Deliveries	Eastern Zone 1/ 2/ 3/ Deliveries
Receipts in Western Zone - -----	(Rates per Dth)	(Rates per Dth)	(Rates per Dth)
Reservation Fee	\$2.754	\$4.586	\$8.186
Utilization Fee	0.00288	0.00544	0.00954
Max. Volumetric Rate at 100% L.F. 4/ 5/	0.09054	0.15079	0.26913
Receipts in Central Zone - -----			
Reservation Fee	\$4.586	\$2.366	\$5.965
Utilization Fee	0.00544	0.00256	0.00666
Max. Volumetric Rate at 100% L.F. 4/ 5/	0.15079	0.07778	0.19612
Receipts in Eastern Zone - -----			
Reservation Fee	\$8.186	\$5.965	\$4.133
Utilization Fee	0.00954	0.00666	0.00410
Max. Volumetric Rate at 100% L.F. 4/ 5/	0.26913	0.19612	0.13587

Limited Firm Transportation Service
 Rate Schedule LFT 1/ 2/ 3/ 4/ 5/ 6/

The rates shown above for Service under Rate Schedule FT shall also be applicable to Service under Rate Schedule LFT except that the maximum Reservation Fee shall be adjusted to reflect the appropriate number of Days that Service shall be available utilizing the following formula, rounded to 3 decimal places: $LFT = FT \times ((TD - UD)/TD)$ where:

- LFT = LFT Reservation Fee
- FT = Applicable FT Reservation Fee
- TD = Number of Days during Agreement Term
- UD = Number of Unavailable Days

Expedited Firm Transportation Service
Rate Schedule EFT 1/ 2/ 3/ 4/ 5/ 6/

The rates shown above for Service under Rate Schedule FT shall also be applicable to Service under Rate Schedule EFT except that the maximum Reservation Fee shall be adjusted to reflect the applicable expedited period of gas flow (EPF) utilizing the following formula, rounded to 3 decimal places: $EFT = FT \times (24/EPF)$ where:

EFT = EFT Reservation Fee
FT = Applicable FT Reservation Fee
24 = Number of Hours in a Gas Day
EPF = MDQ/MHQ

-
- 1/ Pursuant to Section 5.1.5 paragraph 2 of Rate Schedules FT, Section 5.2.5 paragraph 2 of Rate Schedule EFT, and Section 5.3.5 paragraph 2 of Rate Schedule LFT, Shipper shall pay, in addition to the rate specified for this service, an ACA charge set forth in Section 4.6 of this FERC Gas Tariff.
 - 2/ The minimum charge for Reservation Fees, backhauls and/or exchange transportation shall be \$0.00 per Dth.
 - 3/ In addition, Shipper shall pay the 100% load factor rate for the service outside the zones for which a Reservation Fee or Volumetric Rate is paid.
 - 4/ In addition to the Volumetric Rate, the Utilization Fee is applicable to all services.
 - 5/ 100% load factor rate is calculated as: $(\text{Reservation Fee} \times 12)/365$, rounded to 5 decimal places.
 - 6/ Seasonal recourse rates apply to short-term firm (“STF”) service (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) under Rate Schedule FT and rate schedules that are based upon Rate Schedule FT rates, in addition to interruptible transportation service under Rate Schedule IT. On or before February 15 of each year, Great Lakes shall identify the number of peak months (from zero to five) for the upcoming 12-month period beginning April 1, identify the months to which peak rates apply; and set the peak rate multiplier from one up to a maximum of 1.4. Peak rates will be set by multiplying the applicable firm reservation charge (or reservation component) by the peak multiplier. The remaining off-peak months will have a multiplier equal to $1-(P/O) \times (M-1)$ where:
P=Peak Months
O=Off-Peak Months (Equal to 12-P)
M=Multiplier for Peak Months

Transporter’s seasonal recourse rate elections and resulting peak and off-peak rates shall be posted under the Informational Postings section of Transporter’s Internet Website.

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GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP

Open Access Rates
 Interruptible Transportation Service
 Rate Schedule IT

 (Rates Per Dth)

	Western Zone Deliveries 1/ 2/ -----	Central Zone Deliveries 1/ 2/ -----	Eastern Zone Deliveries 1/ 2/ -----
Receipts in Western Zone - -----			
Utilization Fee - Maximum	(3)	(3)	(3)
- Minimum	0.00288	0.00544	0.00954
Receipts in Central Zone - -----			
Utilization Fee - Maximum	(3)	(3)	(3)
- Minimum	0.00000	0.00256	0.00666
Receipts in Eastern Zone - -----			
Utilization Fee - Maximum	(3)	(3)	(3)
- Minimum	0.00000	0.00000	0.00410

 1/ Pursuant to Section 5.4.5 paragraph 2 of Rate Schedule IT, Shipper shall pay, in addition to the specified rate for this service, an ACA charge set forth in Section 4.6 of this FERC Gas Tariff.

2/ The minimum charge for backhauls and/or exchange transportation shall be \$0.00 per Dth.

3/ Seasonal recourse rates apply to short-term firm (“STF”) service (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) under Rate Schedule FT and rate schedules that are based upon Rate Schedule FT rates, in addition to interruptible transportation service under Rate Schedule IT. On or before February 15 of each year, Great Lakes shall identify the number of peak months (from zero to five) for the upcoming 12-month period beginning April 1, identify the months to which peak rates apply; and set the peak rate multiplier from one up to a maximum of 1.4. Peak rates will be set by multiplying the applicable firm reservation charge (or reservation component) by the peak multiplier. The remaining off-peak months will have a multiplier equal to $1-(P/O) \times (M-1)$ where:

P=Peak Months

O=Off-Peak Months (Equal to 12-P)

M=Multiplier for Peak Months

Transporter's seasonal recourse rate elections and resulting peak and off-peak rates shall be posted under the Informational Postings section of Transporter's Internet Website.

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
Open Access Rates
Park and Loan Services
Rate Schedule PAL (Rates Per Dth) 1/

	Maximum -----	Minimum -----
PARK and LOAN		
First Day Fee	\$0.27867	\$0.00000
Subsequent Day Fee	\$0.05573	\$0.00000

1/ An ACA charge set forth in Section 4.6 of this FERC Gas Tariff shall not be assessed on any transaction under Rate Schedule PAL.

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
Transporter's Use Percentages
For Transportation Services

Transporter's Use for Transportation per 75 Miles

- Maximum	0.700%
- Minimum	0.000%

ANNUAL CHARGES ADJUSTMENT CLAUSE (ACA)
CHARGE FACTOR

	Rate per Dth -----
ACA Unit Charge	1/

1/ The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.

NEGOTIATED RATES

Shipper	Rate Schedule	Negotiated Rate	Quantity	Point(s) of Receipt	Point(s) of Delivery
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The Negotiated Rate Agreements described above do not deviate in any material respect from the Form of Service Agreements provided elsewhere in this FERC Gas Tariff.

Non-Conforming Service Agreements

1. Michigan Consolidated Gas Company contract #FT4634
Rate Schedule FT Service Agreement, effective date November 12, 2010
2. Michigan Consolidated Gas Company contract #FT4635
Rate Schedule FT Service Agreement, effective date November 12, 2010

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RATE SCHEDULES

Firm Transportation Service (FT)

Expedited Firm Transportation Service (EFT)

Limited Firm Transportation Service (LFT)

Interruptible Transportation Service (IT)

Park and Loan Services (PAL)

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE

5.1.1 AVAILABILITY

This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of gas by Great Lakes Gas Transmission Limited Partnership (hereinafter referred to as "Transporter"), when:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform firm Transportation Service requested by Shipper; and
- (b) Shipper and Transporter have executed a Transportation Service Agreement (Agreement) under this Rate Schedule FT, as prescribed under this FERC Gas Tariff, Third Revised Volume No. 1, for firm Transportation Service under this rate schedule.

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

Transporter shall accept for the account of Shipper at the point(s) of receipt on any Day the quantity of gas tendered by or for the account of Shipper; provided, however, that Transporter shall not be obligated to receive on any Day a quantity of gas in excess of the applicable MDQ specified in the Agreement plus applicable Transporter's Use as determined in Section 6.27 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Upon receipt of such gas for Shipper's account, Transporter shall transport and deliver for the account of Shipper an Equivalent Quantity of gas at the point(s) of delivery; provided however, that Transporter shall not be obligated to deliver at any point of delivery on any Day a quantity of gas in excess of the quantity specified in the Agreement applicable for each delivery point.

Shipper's MDQ shall be a uniform quantity throughout the term of the Agreement, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in Shipper's MDQ for specified periods throughout the term of the Agreement. Shipper's MDQ, along with the effective period of such differing MDQ levels, shall be specified in Appendix A of the Agreement.

Service shall commence under this rate schedule on the earlier of: (i) the date Shipper first tenders gas to Transporter for Transportation under the Agreement; or (ii) the first Day of the Month following the Shipper's execution of the Agreement; (iii) or such other date as is mutually agreed to by the parties, but in no event prior to Transporter's receipt and acceptance of any necessary regulatory authorization to provide firm Transportation Service to Shipper in accordance with the terms of this rate schedule and the Agreement.

Transporter and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including evergreens, rollovers and other extensions. Any such contract extension provision shall be specified in the Term of the Agreement.

Transportation Service rendered under this rate schedule shall be firm, up to the MDQ on any Day, and shall not be subject to interruption except as provided for elsewhere in this FERC Gas Tariff, Third Revised Volume No. 1. The MDQ shall be specified in the Agreement, and shall be a quantity sufficient to avoid measurement difficulties relative to small amounts of gas.

1. Pregranted Abandonment.

- (a) Commencing on and after the effective date of this tariff provision, abandonment of all service under this rate schedule and termination of the Agreement occurs upon the expiration of the primary term of the Agreement, unless:

- (1) Shipper has exercised any unilateral contractual right to continue the service;

- (2) Shipper has renewed service pursuant to the provisions of Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1; or
 - (3) Transporter and Shipper have mutually agreed to early termination of the Agreement.
- (b) For Agreements subject to a right of first refusal under Section 6.16 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, Shipper and Transporter may mutually agree to a renewal of the Agreement, the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner, provided that such mutual agreement is reached prior to the earlier of Shipper's response to Transporter or expiration of Shipper's response deadline pursuant to Section 6.16.1(a) of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

5.1.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, are applicable and hereby made a part of this rate schedule.

5.1.4 RATES AND CHARGES

After commencement of service in accordance with Section 5.1.2 of this rate schedule, the amounts due each Month shall be paid by Shipper to Transporter for service shall equal the sum of the amounts due under the subsections of this Section 5.1.4, computed by use of the applicable rates set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1, that are effective during the Month or portion thereof.

5.1.4.1 Firm Service.

(a) Monthly Reservation Fees:

Reservation fees shall be paid based upon the currently effective reservation fee rates and the Maximum Daily Quantity for the appropriate zones of service as set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1.

(b) Utilization Charge:

A utilization charge shall be paid for each Dth of gas received from or on behalf of Shipper up to Shipper's MDQ at the point(s) of delivery during the Month pursuant to the Agreement. The appropriate utilization charge for receipt and redelivery in each zone is stated in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.1.4.2 Maximum/Minimum Rates.

Subject to any limitations imposed by additional Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time selectively adjust any or all of the rates charged to any individual Shipper for which a maximum rate and minimum rate are stated in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1. Except as permitted by Section 5.1.4.4, Negotiated Rates, the adjusted rate(s) shall not exceed the applicable maximum rate(s), nor shall they be less than the minimum rate(s), set forth in such section. Transporter shall have the right to charge the maximum rate at any time as a condition for new service or for continuation of service under an existing Agreement, unless otherwise provided by the Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any Transportation charges at less than the maximum rate. Whenever Transporter adjusts the rate to be charged to a Shipper pursuant to this Section 5.1.4.2, notice thereof shall be given to Shipper not less than 48 hours prior to the effective date of such adjustment.

5.1.4.3 Changes in Rates.

The rates specified in this FERC Gas Tariff, Third Revised Volume No. 1, for the service performed by Transporter for Shipper under this Rate Schedule FT will be in effect until replaced or superseded by some other legally effective rate applicable to that service. Transporter shall have the unilateral right to file changes in rates for service rendered under this tariff with the Commission, and collect those in accordance with Section 4 of the Natural Gas Act. Shipper agrees to pay the effective rate on file with the Commission, including increases thereto, if any, the parties recognizing that the Commission has jurisdiction to determine in appropriate proceedings the just and reasonable rates to be charged for service hereunder. Nothing herein contained, however, shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, or as that act may be amended, including the right to participate fully in Commission proceedings by intervention or otherwise, and to protest or otherwise contest increased rates in whole or in part.

Notwithstanding any provisions of the Agreement to the contrary, if in order to comply with or by reason of any present or future law or rule, regulation or order of any governmental body, the basis or method of measurement of gas delivered is changed, then the price per Dth for gas transported shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for quantities of gas transported according to the measurement provisions set forth in the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall remain unaffected by the change of basis or method of measurement.

5.1.4.4 Negotiated Rates.

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to 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 Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to, or greater than the maximum applicable tariff rate; shall not be less than the minimum applicable tariff rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. Transporter's recourse rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse rates are those set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to the negotiation of terms and conditions of service.

If Transporter agrees to a Negotiated Rate, then such Negotiated Rate shall be effective only for the period agreed to by Transporter. During such period, 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 Transporter and Shipper in writing as being superseded 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 Transporter's FERC Gas 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.

Such Negotiated Rate shall be set forth in Shipper's Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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 or unsubscribed capacity. Additionally, where Net Present Value (NPV) is utilized to calculate the value of a request for available or unsubscribed capacity, NPV shall only include revenue generated by the reservation rate, or any other form of revenue guarantee, as proposed in a bid for the capacity. For bids proposing a reservation rate or other form of revenue guarantee which exceeds the maximum applicable reservation

rate during all or any portion of the term proposed in the bid, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the maximum applicable reservation rate shall be in effect during the term proposed in the bid, in place of the reservation rate(s) or other revenue guarantee(s) proposed in the bid. As used in this Section 5.1.4.4, "revenue guarantee" shall include, but not be limited to, revenue based on any minimum throughput commitment proposed in a bid.

Replacement Shippers, as defined in Section 6.15.1 of the General Terms and Conditions, are not eligible for Negotiated Rates.

5.1.5 ADDITIONAL CHARGES

1. Commission and Other Regulatory Fees.

Shipper shall reimburse Transporter for all fees required by the Commission or any other regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

2. FERC Annual Charges Adjustment (ACA).

Transporter shall collect pursuant to Section 6.18 of the General Terms and Conditions of Volume No. 1 of this FERC Gas Tariff, the ACA charge from Shipper for all gas transported, as authorized by Commission's orders, so that Transporter may recoup the annual charges assessed by the Commission for the previous fiscal year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B issued September 16, 1987 in Docket No. RM87-3. The currently effective rate for the ACA charge shall be set forth in Section 4.6 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.1.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

RATE SCHEDULE EFT
EXPEDITED FIRM TRANSPORTATION SERVICE

5.2.1 AVAILABILITY

This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of gas by Great Lakes Gas Transmission Limited Partnership (hereinafter referred to as "Transporter"), when:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform expedited firm Transportation Service requested by Shipper; and
- (b) Shipper and Transporter have executed a Transportation Service Agreement (Agreement) under this Rate Schedule EFT, as prescribed under this FERC Gas Tariff, Third Revised Volume No. 1, for expedited firm Transportation Service under this rate schedule; and
- (c) Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporter(s); and
- (d) The primary point(s) of delivery under the Agreement is a point on Transporter's system that:
 - (i) Connects directly with the applicable end user and:
 - (1) is equipped with a flow control device and electronic gas measurement equipment capable of verifying changes in gas flow on a real-time basis, and
 - (2) Transporter has not entered into an Agreement with any other shipper at the delivery point; or
 - (ii) Does not connect directly with the applicable end user, and Transporter is able to confirm nomination changes relating to applicable end user deliveries directly with any interconnecting downstream transporter(s).

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) Transporter shall accept for the account of Shipper at the point(s) of receipt on any Gas Day the quantity of gas tendered by or for the account of Shipper; provided, however, that Transporter shall not be obligated to receive on any Gas Day a quantity of gas in excess of the applicable MDQ specified in the Agreement, nor in any Hour of the Gas Day a quantity in excess of the applicable MHQ specified in the Agreement, plus applicable Transporter's Use as determined in Section 6.27 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Upon receipt of such gas for Shipper's account, Transporter shall transport and deliver for the account of Shipper an Equivalent Quantity of gas at the point(s) of delivery; provided however, that Transporter shall not be obligated to deliver at any point of delivery in any Hour and on any Gas Day a quantity of gas in excess of the hourly and daily quantities specified in the Agreement applicable for each delivery point.
- (b) Shipper's MDQ and MHQ shall be a uniform quantity throughout the term of the Agreement, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in Shipper's MDQ and/or MHQ for specified periods throughout the term of the Agreement. Shipper's MDQ and MHQ, along with the effective period of such differing MDQ and/or MHQ levels, shall be specified in Appendix A of the Agreement.
- (c) Service shall commence under this rate schedule on the earlier of: (i) the date Shipper first tenders gas to Transporter for Transportation under the Agreement; or (ii) the first Day of the Month following the Shipper's execution of the Agreement; (iii) or such other date as is mutually agreed to by the parties, but in no event prior to Transporter's receipt and acceptance of any necessary regulatory authorization to provide firm Transportation Service to Shipper in accordance with the terms of this rate schedule and the Agreement.
- (d) Transporter and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including evergreens, rollovers and other extensions. Any such contract extension provision shall be specified in the Term of the Agreement.
- (e) Transportation Service rendered under this rate schedule shall be firm, up to the MDQ on any Gas Day and up to the MHQ in any Hour, and shall not be subject to interruption except as provided for elsewhere in this FERC Gas Tariff, Third Revised Volume No. 1. The MDQ and the MHQ shall be a quantity sufficient to avoid measurement difficulties relative to small amounts of gas. The MHQ shall be no less than 1/24th and no greater than 1/4th of the MDQ under the Agreement.
- (f) In addition to the nomination timeline provisions of Section 6.3.2 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1,

Shipper may nominate to Transporter, by e-mail, at quarter-hour intervals prior to the actual gas flow at the primary delivery point(s). Quarter-hour intervals shall be at the top of the Hour, e.g. 9:00, at 15 minutes past the top of the Hour, e.g. 9:15, at 30 minutes past the top of the Hour, e.g. 9:30, and at 45 minutes past the top of the Hour, e.g. 9:45. At no time shall Transporter be required to provide service under this rate schedule until Transporter has received appropriate confirmation of receipts, deliveries, and hourly rate of gas flow from the upstream and downstream operators at the respective primary receipt and delivery point(s) and from any downstream interconnecting transporter(s) at the end user delivery location.

- (g) Deliveries to secondary delivery points shall be made pursuant to Section 6.3.6 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.
- (h) Nominations to secondary points shall be made pursuant to the nomination timeline provisions of Section 6.3.2 of the General Terms and Condition of this FERC Gas Tariff, Third Revised Volume No. 1.
- (i) For any Gas Day, Shipper shall cause quantities provided at the receipt points(s) to approximate those scheduled to the delivery points(s). It is recognized that daily imbalances between scheduled and actual quantities may occur. For purposes of this Rate Schedule EFT, a daily imbalance shall be defined as the difference between quantities received at the receipt point(s) and the quantities delivered at the delivery point(s) during a given Gas Day. Such daily imbalances shall be treated in the following manner:
 - (1) During a given Gas Day, Shipper shall be permitted a daily imbalance not exceeding the lesser of 5% of the scheduled daily deliveries or 2,000 Dth (permissible daily imbalance). Such permissible daily imbalance shall be reduced to zero by the end of the next Gas Day. In the event that Shipper makes a timely and valid nomination to reduce the permissible daily imbalance to zero on the next Gas Day, Shipper shall be deemed to have complied with the requirement to zero-out the permissible daily imbalance.

Unless otherwise agreed to by Shipper and Transporter, any permissible daily imbalance quantities not nominated by Shipper for receipt into or delivery out of Transporter's system on the next Gas Day shall be assessed a penalty equal to twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced. Any such assessed penalty shall be paid to Transporter by Shipper in dollars (U.S.), and shall be subject to Section 6.25 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

- (2) If Shipper exceeds the permissible daily imbalance specified above during a

given Gas Day (unauthorized daily imbalance), Shipper may be required, upon notification from Transporter by phone and e-mail, to cease deliveries from, or reduce tenders to Transporter hereunder, consistent with Transporter's operating conditions. Transporter's notification shall specify the time frame within which deliveries or tenders must cease or be reduced, consistent with Transporter's operating conditions, but in no event shall the specified time be earlier than two (2) hours from the notification time.

Further, Shipper may be required to tender or remove quantities upon notification by Transporter by phone and e-mail. Transporter's notification shall specify the time frame within which the unauthorized daily imbalance shall be corrected, consistent with Transporter's operating conditions, but in no event shall the specified time be earlier than twelve (12) hours from the notification time.

In the event that Shipper makes a timely and valid nomination in response to the above notification(s) by Transporter, Shipper shall be deemed to have complied with Transporter's notification(s).

Unless otherwise agreed to by Shipper and Transporter, any unauthorized daily imbalance quantities not nominated by Shipper for receipt into or delivery out of Transporter's system within the time frame specified by Transporter's notice shall be assessed a penalty equal to twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced. Any such assessed penalty shall be paid to Transporter by Shipper in dollars (U.S.), and shall be subject to Section 6.25 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

(j) Pregranted Abandonment

- (1) Commencing on and after the effective date of this tariff provision, abandonment of all service under this rate schedule and termination of the Agreement occurs upon the expiration of the primary term of the Agreement, unless:
 - (i) Shipper has exercised any unilateral contractual right to continue the service;
 - (ii) Shipper has renewed service pursuant to the provisions of Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1; or
 - (iii) Transporter and Shipper have mutually agreed to early termination of the Agreement.

- (2) For Agreements subject to a right of first refusal under Section 6.16 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, Shipper and Transporter may mutually agree to a renewal of the Agreement, the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner, provided that such mutual agreement is reached prior to the earlier of Shipper's response to Transporter or expiration of Shipper's response deadline pursuant to Section 6.16.1(a) of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

5.2.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, are applicable and hereby made a part of this rate schedule.

5.2.4 RATES AND CHARGES

After commencement of service in accordance with Section 5.2.2 of this rate schedule, the amounts due each Month shall be paid by Shipper to Transporter for service shall equal the sum of the amounts due under the subsections of this Section 5.2.4, computed by use of the applicable rates set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1, that are effective during the Month or portion thereof.

5.2.4.1 Firm Service.

(a) Monthly Reservation Fees:

Reservation fees shall be paid based upon the currently effective reservation fee rates and the Maximum Daily Quantity for the appropriate zones of service as set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1.

(b) Utilization Charge:

A utilization charge shall be paid for each Dth of gas received from or on behalf of Shipper up to Shipper's MDQ at the point(s) of delivery during the Month pursuant to the Agreement. The appropriate utilization charge for receipt and redelivery in each zone is stated in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.2.4.2 Maximum/Minimum Rates.

Subject to any limitations imposed by additional Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time selectively adjust any or all of the rates charged to any individual Shipper for which a maximum rate and minimum rate are stated in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1. Except as permitted by Section 5.2.4.4, Negotiated Rates, the adjusted rate(s) shall not exceed the applicable maximum rate(s), nor shall they be less than the minimum rate(s), set forth in such section. Transporter shall have the right to charge the maximum rate at any time as a condition for new service or for continuation of service under an existing Agreement, unless otherwise provided by the Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any Transportation charges at less than the maximum rate. Whenever Transporter adjusts the rate to be charged to a Shipper pursuant to this Section 5.2.4.2, notice thereof shall be given to Shipper not less than 48 hours prior to the effective date of such adjustment.

5.2.4.3 Changes in Rates.

The rates specified in this FERC Gas Tariff, Third Revised Volume No. 1, for the service performed by Transporter for Shipper under this Rate Schedule FT will be in effect until replaced or superseded by some other legally effective rate applicable to that service. Transporter shall have the unilateral right to file changes in rates for service rendered under this tariff with the Commission, and collect those in accordance with Section 4 of the Natural Gas Act. Shipper agrees to pay the effective rate on file with the Commission, including increases thereto, if any, the parties recognizing that the Commission has jurisdiction to determine in appropriate proceedings the just and reasonable rates to be charged for service hereunder. Nothing herein contained, however, shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, or as that act may be amended, including the right to participate fully in Commission proceedings by intervention or otherwise, and to protest or otherwise contest increased rates in whole or in part.

Notwithstanding any provisions of the Agreement to the contrary, if in order to comply with or by reason of any present or future law or rule, regulation or order of any governmental body, the basis or method of measurement of gas delivered is changed, then the price per Dth for gas transported shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for quantities of gas transported according to the measurement provisions set forth in the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall remain unaffected by the change of basis or method of measurement.

5.2.4.4 Negotiated Rates.

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to 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 Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to, or greater than the maximum applicable tariff rate; shall not be less than the minimum applicable tariff rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. Transporter's recourse rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse rates are those set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to the negotiation of terms and conditions of service.

If Transporter agrees to a Negotiated Rate, then such Negotiated Rate shall be effective only for the period agreed to by Transporter. During such period, 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 Transporter and Shipper in writing as being superseded 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 Transporter's FERC Gas 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.

Such Negotiated Rate shall be set forth in Shipper's Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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 or unsubscribed capacity. Additionally, where Net Present Value (NPV) is utilized to calculate the value of a request for available or unsubscribed capacity, NPV shall only include revenue generated by the reservation rate, or any other form of revenue guarantee, as proposed in a bid for the capacity. For bids proposing a reservation rate or other form of revenue guarantee which exceeds the

maximum applicable reservation rate during all or any portion of the term proposed in the bid, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the maximum applicable reservation rate shall be in effect during the term proposed in the bid, in place of the reservation rate(s) or other revenue guarantee(s) proposed in the bid. As used in this Section 5.2.4.4, "revenue guarantee" shall include, but not be limited to, revenue based on any minimum throughput commitment proposed in a bid.

Replacement Shippers, as defined in Section 6.15.1 of the General Terms and Conditions, are not eligible for Negotiated Rates.

5.2.5 ADDITIONAL CHARGES

1. Commission and Other Regulatory Fees.

Shipper shall reimburse Transporter for all fees required by the Commission or any other regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

2. FERC Annual Charges Adjustment (ACA).

Transporter shall collect pursuant to Section 6.18 of the General Terms and Conditions of Volume No. 1 of this FERC Gas Tariff, the ACA charge from Shipper for all gas transported, as authorized by Commission's orders, so that Transporter may recoup the annual charges assessed by the Commission for the previous fiscal year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B issued September 16, 1987 in Docket No. RM87-3. The currently effective rate for the ACA charge shall be set forth in Section 4.6 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.2.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

RATE SCHEDULE LFT
LIMITED FIRM TRANSPORTATION SERVICE

5.3.1 AVAILABILITY

This rate schedule is available to any person, corporation, partnership, or any other party (hereinafter referred to as "Shipper") for the Transportation of gas by Great Lakes Gas Transmission Limited Partnership (hereinafter referred to as "Transporter"), when:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform limited firm Transportation Service requested by Shipper; and
- (b) Shipper and Transporter have executed a Transportation Service Agreement (Agreement) under this Rate Schedule LFT, as prescribed under this FERC Gas Tariff, Third Revised Volume No. 1, for limited firm Transportation Service under this rate schedule.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) Transporter shall accept for the account of Shipper at the point(s) of receipt the quantity of gas tendered by or for the account of Shipper; provided, however, that Transporter shall not be obligated to receive on any day a quantity of gas in excess of the applicable MDQ specified in the Agreement plus applicable Transporter's Use as determined in Section 6.27 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Upon receipt of such gas for Shipper's account, Transporter shall transport and deliver for the account of Shipper an Equivalent Quantity of gas at the point(s) of delivery; provided, however, that Transporter shall not be obligated to deliver at any point of delivery on any day a quantity of gas in excess of the quantity specified in the Agreement applicable for each delivery point.

Shipper's MDQ shall be a uniform quantity throughout the term of the Agreement, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in Shipper's MDQ for specified periods throughout the term of the Agreement. Shipper's MDQ, along with the effective period of such differing MDQ levels, shall be specified in Appendix A of the Agreement.

- (b) Transporter shall post notice of the availability of service under this Rate Schedule LFT on Transporter's Internet Website as follows:
- (1) For service available up to and including one (1) month, notice shall be posted for at least one (1) day prior to the awarding of service.
 - (2) For service available for more than one (1) month, notice shall be posted for at least two (2) days prior to the awarding of service.
- (c) Service shall commence under this rate schedule on the earlier of: (i) the date Shipper first tenders gas to Transporter for Transportation under the Agreement; or (ii) the first Day of the Month following the Shipper's execution of the Agreement; or (iii) such other date as is mutually agreed to by the parties, but in no event prior to Transporter's receipt and acceptance of any necessary regulatory authorization to provide limited firm Transportation Service to Shipper in accordance with the terms of this rate schedule and the Agreement.

Transporter and Shipper may agree, on a not unduly discriminatory basis, to contract extensions, including evergreens, rollovers and other extensions. Any such contract extension provision shall be specified in the Term of the Agreement.

- (d) Transportation Service under this rate schedule shall be firm up to the MDQ stated in Shipper's Service Agreement, except that Transportation Service shall not be available for the number of Days stated in Shipper's Rate Schedule LFT Service

Agreement, (i.e., the Unavailable Days), such number of Days to be mutually agreed to by Shipper and Transporter. The Unavailable Days may be consecutive or nonconsecutive and shall be determined solely at Transporter's reasonable discretion in a not unduly discriminatory manner.

- (e) For purposes of determining the remaining number of Days that Transportation Service shall be available for a Shipper under this rate schedule, a Day shall be considered an Unavailable Day whenever any part of a Shipper's primary path is determined to be unavailable. Gas shall not flow on such Day(s) under Shipper's Agreement.
- (f) Transporter shall notify Rate Schedule LFT Shippers if Transportation Service is to be unavailable pursuant to Section 5.3.2(d) above at least 3.5 hours prior to the timely nomination deadline, as described in Section 6.3.2 of the General Terms and Conditions. Transporter shall provide such notice to the affected Shipper(s) by e-mail, or by such other mutually agreed upon method. In the event that either Transporter's or Shipper's e-mail or internet service is not operational, Transporter shall provide notice by telephone.
- (g) Pregranted Abandonment.
 - (1) Abandonment of service under this rate schedule occurs upon the expiration of the primary term of the Agreement, unless:
 - (i) Shipper has exercised any unilateral contractual right to continue the service;
 - (ii) Shipper has renewed service pursuant to the provisions of Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1; or
 - (iii) Transporter and Shipper have mutually agreed to early termination of the Agreement.
 - (2) For Agreements subject to a right of first refusal under Section 6.16 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, Shipper and Transporter may mutually agree to a renewal of the Agreement, the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner, provided that such mutual agreement is reached prior to the earlier of Shipper's response to Transporter or expiration of Shipper's response deadline pursuant to Section 6.16.1(a) of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

5.3.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, are applicable and hereby made a part of this rate schedule.

5.3.4 RATES AND CHARGES

After commencement of service in accordance with Section 5.3.2 of this rate schedule, the amounts due each Month that shall be paid by Shipper to Transporter for service shall equal the sum of the amounts due under the subsections of this Section 5.3.4, computed by use of the applicable rates and the Reservation fee formula set forth in Section 4.1 of this FERC Gas Tariff, Third Revised Volume No. 1, that are effective during the Month or portion thereof.

5.3.4.1 Limited Firm Transportation Services.

(a) Monthly Reservation Fees:

Reservation fees shall be paid based upon the applicable Maximum Daily Quantity and the currently effective reservation fee rates for the appropriate zones of service based on the formula set forth in Section 4.1 of this FERC Gas Tariff.

(b) Utilization Fees:

A utilization fee shall be paid for each Dth of gas received from or on behalf of a Shipper for delivery during the Month pursuant to the Agreement. The appropriate utilization rates for receipt and redelivery in each zone for Service under this Rate Schedule LFT are the same as the corresponding utilization rates under Rate Schedule FT as set forth in Section 4.1 of this FERC Gas Tariff.

5.3.4.2 Maximum/Minimum Rates.

Subject to any limitations imposed by additional Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time selectively adjust any or all of the rates charged to any individual Shipper for which a maximum rate and minimum rate are stated in Section 4.1 of this FERC Gas Tariff, Third Revised Volume No. 1. Except as permitted by Section 5.3.4.4, Negotiated Rates, the adjusted rate(s) shall not exceed the applicable maximum rate(s), nor shall they be less than the minimum rate(s), set forth in such section. Transporter shall have the right to charge the maximum rate at any time as a condition for new service or for continuation of service under an existing Agreement, unless otherwise provided by the Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any Transportation charges at less than the maximum rate. Whenever Transporter adjusts the rate to be charged to a Shipper pursuant to this Section 5.3.4.2, notice thereof shall be given to Shipper not less than 48 hours prior to the effective date of such adjustment.

5.3.4.3 Changes in Rates.

The rates specified in this FERC Gas Tariff, Third Revised Volume No. 1, for the service performed by Transporter for Shipper under this Rate Schedule LFT will be in effect until replaced or superseded by some other legally effective rate applicable to that service. Transporter shall have the unilateral right to file changes in rates for service rendered under this tariff with the Commission, and collect those in accordance with Section 4 of the Natural Gas Act. Shipper agrees to pay the effective rate on file with the Commission, including increases thereto, if any, the parties recognizing that the Commission has jurisdiction to determine in appropriate proceedings the just and reasonable rates to be charged for service hereunder. Nothing herein contained, however, shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, or as that act may be amended, including the right to participate fully in Commission proceedings by intervention or otherwise, and to protest or otherwise contest increased rates in whole or in part.

Notwithstanding any provisions of the Agreement to the contrary, if in order to comply with or by reason of any present or future law or rule, regulation or order of any governmental body, the basis or method of measurement of gas delivered is changed, then the price per Dth for gas transported shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for quantities of gas transported according to the measurement provisions set forth in the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall remain unaffected by the change of basis or method of measurement.

5.3.4.4 Negotiated Rates.

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to 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 Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to, or greater than the maximum applicable tariff rate; shall not be less than the minimum applicable tariff rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. Transporter's recourse rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse rates are those set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to the negotiation of terms and conditions of service.

If Transporter agrees to a Negotiated Rate, then such Negotiated Rate shall be effective only for the period agreed to by Transporter. During such period, 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 Transporter and Shipper in writing as being superseded 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 Transporter's FERC Gas 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.

Such Negotiated Rate shall be set forth in Shipper's Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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 or unsubscribed capacity. Additionally, where Net Present Value (NPV) is utilized to calculate the value of a request for available or unsubscribed capacity, NPV shall only include revenue generated by the reservation rate, or any other form of revenue guarantee, as proposed in a bid for the capacity. For bids proposing a reservation rate or other form of revenue guarantee which exceeds the

maximum applicable reservation rate during all or any portion of the term proposed in the bid, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the maximum applicable reservation rate shall be in effect during the term proposed in the bid, in place of the reservation rate(s) or other revenue guarantee(s) proposed in the bid. As used in this Section 5.3.4.4, "revenue guarantee" shall include, but not be limited to, revenue based on any minimum throughput commitment proposed in a bid.

Replacement Shippers, as defined in Section 6.15.1 of the General Terms and Conditions, are not eligible for Negotiated Rates.

5.3.5 ADDITIONAL CHARGES

1. Commission and Other Regulatory Fees.

Shipper shall reimburse Transporter for all fees required by the Commission or any other regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

2. FERC Annual Charges Adjustment (ACA).

Transporter shall collect pursuant to Section 6.18 of the General Terms and Conditions of Volume No. 1 of this FERC Gas Tariff, the ACA charge from Shipper for all gas transported, as authorized by Commission's orders, so that Transporter may recoup the annual charges assessed by the Commission for the previous fiscal year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B issued September 16, 1987 in Docket No. RM87-3. The currently effective rate for the ACA charge shall be set forth in Section 4.6 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.3.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE

5.4.1 AVAILABILITY

This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of gas by Great Lakes Gas Transmission Limited Partnership (hereinafter referred to as "Transporter"), when:

- (a) Transporter has determined that it has sufficient available capacity to perform interruptible Transportation Service requested by Shipper; and
- (b) Shipper and Transporter have executed a Transportation Service Agreement (Agreement) in the form prescribed under this Rate Schedule IT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, for interruptible service under this rate schedule.

5.4.2 APPLICABILITY AND CHARACTER OF SERVICE

Transporter shall accept for the account of Shipper at the point(s) of receipt on any Day the quantity of gas tendered by or for the account of Shipper plus applicable Transporter's Use as determined in Section 6.27 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Upon receipt of such gas for Shipper's account, Transporter shall transport and deliver for the account of Shipper an Equivalent Quantity of gas at the point(s) of delivery.

Transportation Service rendered under this rate schedule shall be interruptible. With respect to commencement of the Transportation Service, the Transporter may terminate an Agreement for interruptible Transportation Service, and the Shipper's Request shall be null and void, under the following circumstances: (1) the Shipper fails to nominate, pursuant to Section 6.3 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, a quantity of gas for Transportation, or (2) having nominated a quantity of gas and Transporter having scheduled the quantity for Transportation pursuant to Section 6.3 of those General Terms and Conditions, Shipper fails to tender gas for Transportation on the date it is scheduled. Termination shall be effective on the later of the date service is projected to commence or (1) fifteen (15) Days after the Shipper executes the Agreement, (2) the completion of construction of any necessary facilities, or (3) the issuance of any necessary governmental authorization.

However, the Agreement shall not be terminated, nor shall the Request be null and void, if the Shipper's inability to nominate or tender is caused by an event of force majeure on Transporter's system, as defined in Section 6.10 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

Delivery of natural gas under this Rate Schedule shall be subject to curtailment or interruption as provided in Section 6.11 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

Commencing on and after the effective date of this tariff provision, abandonment of all service under this rate schedule and termination of the Agreement occurs upon the expiration of the primary term of the Agreement. In the event that Shipper does not nominate the Agreement during any 12 (twelve) consecutive months, Transporter shall have the right to terminate the Agreement. Transporter shall provide written notice (mail or e-mail) of such termination. Upon receipt of Shipper's request, the Agreement will not be terminated.

5.4.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, are applicable and made a part of this rate schedule.

5.4.4 RATES AND CHARGES

After commencement of service, the amounts due each Month that shall be paid by Shipper to Transporter for service hereunder shall equal the sum of the amounts due under the subsections of this Section 5.4.4, computed using the applicable rates set forth in Section 4.3 of this FERC Gas Tariff, Third Revised Volume No. 1, that are effective during the Month or portion thereof.

5.4.4.1 Interruptible Service Charge.

A utilization fee shall be paid for each Dth of gas received from or on behalf of Shipper at the point(s) of delivery during the Month pursuant to the Agreement. The appropriate utilization fee for receipt and redelivery in each zone is stated in Section 4.3 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.4.4.2 Maximum/Minimum Rates.

Subject to any limitations imposed by additional service Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time selectively adjust any or all of the rates charged to any individual Shipper for which a maximum rate and minimum rate are stated in Section 4.3 of this FERC Gas Tariff, Third Revised Volume No. 1. Except as permitted by Section 5.4.4.4, Negotiated Rates, the adjusted rate(s) shall not exceed the applicable maximum rate(s), nor shall they be less than the minimum rate(s), set forth in such section. Transporter shall have the right to charge the maximum rate at any time as a condition for new service or for continuation of service under an existing Agreement, unless otherwise provided by the Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any Transportation charges at less than the maximum rate. Whenever Transporter adjusts the rate to be charged to a Shipper pursuant to this Section 5.4.4.2, notice thereof shall be given to Shipper not less than 48 hours prior to the effective date of such adjustment.

5.4.4.3 Changes in Rates.

The rates specified in this Tariff for the service performed by Transporter for Shipper under this Rate Schedule IT will be in effect until replaced or superseded by some other legally effective rate applicable to that service. Transporter, shall have the unilateral right to file changes in rates for service rendered hereunder with the Commission, and collect those in accordance with Section 4 of the Natural Gas Act. Shipper agrees to pay the effective rate on file with the Commission, including increases thereto, if any, the parties recognizing that the Commission has jurisdiction to determine in appropriate proceedings the just and reasonable rates to be charged for service hereunder. Nothing herein contained, however, shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, or as that act may be amended, including the right to participate fully in Commission proceedings by intervention or otherwise, and to contest such increased rates in whole or in part.

Notwithstanding any provisions of the Agreement to the contrary, if in order to comply with or by reason of any present or future law or rule, regulation or order of any governmental body, the basis or method of measurement of gas delivered hereunder is changed, then the price per Dth for gas transported hereunder shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for quantities of gas transported according to the measurement provisions set forth in the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall remain unaffected by the change of basis or method of measurement.

5.4.4.4 Negotiated Rates.

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to 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 Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to, or greater than the maximum applicable tariff rate; shall not be less than the minimum applicable tariff rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. Transporter's recourse rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse rates are those set forth in Section 4.3 of this FERC Gas Tariff. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to the negotiation of terms and conditions of service.

If Transporter agrees to a Negotiated Rate, then such Negotiated Rate shall be effective only for the period agreed to by Transporter. During such period, 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 Transporter and Shipper in writing as being superseded 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 Transporter's FERC Gas 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.

Such Negotiated Rate shall be set forth in Shipper's Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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 or unsubscribed capacity.

5.4.5 ADDITIONAL CHARGES

1. Commission and Other Regulatory Fees.

Shipper shall reimburse Transporter for all fees required by the Commission or any other regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

2. Annual Charges Adjustment (ACA).

Transporter shall collect pursuant to Section 6.18 of the General Terms and Conditions of Volume No. 1 of this FERC Gas Tariff, the ACA charge from Shipper for all gas transported, as authorized by Commission's orders, so that Transporter may recoup the annual charges assessed by the Commission for the previous fiscal Year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B issued September 16, 1987 in Docket No. RM87-3. The currently effective rate for the ACA charge shall be set forth in Section 4.6 of this FERC Gas Tariff, Third Revised Volume No. 1.

5.4.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

5.4.7 CONVERSION OF MDQ FROM VOLUMETRIC TO THERMAL BASIS

As required by FERC Order No. 582, Transporter converted its Transportation rates from a volumetric to a thermal basis effective June 1, 1997. For those Shippers under Rate Schedule IT whose Transportation Service Agreements were executed prior to the effective date of the conversion and which Transportation Service Agreements do not reflect the MDQ on a thermal basis, a one for one conversion will be assumed so that an MDQ of 100,000 Mcf will be equivalent to an MDQ of 100,000 Dth.

RATE SCHEDULE PAL
PARK AND LOAN SERVICES

5.5.1 AVAILABILITY

This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for Park and Loan ("PAL") Service by Great Lakes Gas Transmission Limited Partnership (hereinafter referred to as "Transporter"), when:

- (A) Transporter has determined that it has the capability to provide Park and/or Loan Service pursuant to Section 5.5.2.1 of this rate schedule; and
- (B) Shipper and Transporter have executed a Park and Loan Service Agreement (PAL Service Agreement) in the form prescribed under this Rate Schedule PAL of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, for PAL Service under this rate schedule.

5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

The following services shall be provided under this rate schedule:

5.5.2.1 Park and Loan Service.

(A) Parking Service is an interruptible service which provides for:

- (1) the receipt by Transporter of Gas quantities that have been delivered by Shipper to any PAL Point(s); provided that Transporter and Shipper may agree to a schedule of the quantities to be parked, which may include a requirement for Shipper to park quantities ratably;
- (2) the holding of the parked Gas quantities by Transporter at such PAL Point(s); and
- (3) the return of the Gas quantities to the Shipper at the same PAL Point(s) at which the Gas was parked by Shipper; provided that Transporter and Shipper may agree to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably. However, Transporter may authorize the return of parked Gas quantities to the Shipper at a point other than the PAL Point where the Gas was originally parked.
- (4) At no time shall Transporter be deemed to have taken title to Gas delivered into its system for Parking Service.

(B) Loan Service is an interruptible service which provides for:

- (1) the receipt of Gas quantities by Shipper from Transporter at any PAL Point(s); provided that Transporter and Shipper may agree to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive quantities ratably and
- (2) the subsequent return of the loaned Gas quantities to the Transporter at the same PAL Point(s) at which the Gas was loaned to Shipper; provided that Transporter and Shipper may agree to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably. However, Transporter may authorize the return of loaned Gas quantities at a point other than the PAL Point where the Gas was originally loaned.

(C) The total quantity of Gas parked by and/or loaned to Shipper on any given Day shall not exceed the quantities as set forth in Appendix A of Shipper's PAL Service Agreement. The total outstanding parked or loaned balance shall not exceed the Maximum Quantity as set forth in Appendix A of Shipper's PAL Service Agreement.

- (D) Gas quantities must be parked and/or loaned for a minimum of one (1) day. Such gas must be removed from, or returned to, Transporter's system as set forth in Shipper's PAL Service Agreement or as otherwise agreed between Transporter and Shipper.
- (1) Unless otherwise agreed to by Transporter, in the event that Shipper does not remove parked Gas from Transporter's system within the period agreed upon, Shipper shall pay a penalty equal to the product of the quantity of parked Gas which has not been removed and twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.
 - (2) Unless otherwise agreed to by Transporter, in the event that Shipper does not return loaned Gas to Transporter's system within the period agreed upon, Shipper shall pay a penalty equal to the product of the quantity of loaned Gas which has not been returned and twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.
 - (3) If Shipper's inability to remove parked Gas or return loaned Gas within the period agreed upon, is due to Transporter's failure to schedule a nomination that would allow Shipper to meet the deadline, the penalties described above shall be suspended for those Days that Transporter does not schedule such nomination.
- (E) Transporter shall only be obligated to park Gas or loan Gas for receipts or deliveries to the extent Transporter solely determines that such actions are not detrimental to Transporter's ability to satisfy any of its obligations to provide service under Transporter's Transportation rate schedules or to meet system operational needs. PAL capacity shall be allocated along with other interruptible services according to Shipper nominations, beginning with highest Confirmed Price to lowest Confirmed Price. Available capacity will be allocated pro rata among the nominations with equal Confirmed Price.
- (F) PAL Service shall be provided on an interruptible basis. Therefore, Transporter may, at its sole discretion, interrupt or curtail the continuation of any or all of the services hereunder. Interruption or curtailment of service includes, without limitation, decreasing, suspending, or discontinuing the receipt and/or delivery of Gas. PAL Service shall be interrupted or curtailed in the manner necessary to provide scheduled Transportation Service.

- (G) Shipper shall tender its nomination to Transporter in accordance with Section 6.3 of the General Terms and Conditions and Transporter shall allocate PAL Service among Shippers requesting such service pursuant to Section 5.5.2.1(E) above.
- (H) If Transporter and Shipper agree that Shipper may receive parked Gas quantities or return loaned quantities at a point that is different from Shipper's originally specified PAL Point, then Shipper and Transporter must utilize a separate Transportation Service Agreement to effectuate receipt or delivery of such Gas at the new point.
- (I) Notification from Transporter
 - (1) In the event that Transporter determines, in its sole discretion, that some or all PAL Service must be interrupted or curtailed, Transporter will notify any affected Shippers receiving PAL Service that they are required to eliminate or reduce their existing parked and/or loaned balances. Such notice(s) shall first be provided by telephone, and then by e-mail, or on Transporter's Internet Website. Transporter's notice shall specify the time frame within which parked balances must be removed and/or loaned balances must be returned, consistent with Transporter's operating conditions, but in no event shall the specified time frame be less than three (3) Days from the date of Transporter's notification.
 - (2) In the event that Shipper does not remove parked Gas within the time frame specified by Transporter, Shipper shall pay a penalty equal to the product of the quantity of parked Gas which has not been removed and twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.
 - (3) In the event that Shipper does not return loaned Gas within the time frame specified by Transporter, Shipper shall pay a penalty equal to the product of the quantity of loaned Gas which has not been returned and twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.
 - (4) Failure by Shipper to comply with notice from Transporter to remove and/or return Gas within the time frame specified may result in the termination of Shipper's PAL Service Agreement.

- (5) If Shipper's inability to remove parked Gas or return loaned Gas within the time frame specified by Transporter is due to Transporter's failure to schedule a nomination that would allow Shipper to meet the deadline, the penalties described above shall be suspended for those Days that Transporter does not schedule such nomination.

5.5.2.2 Reserved for Future Use.

5.5.2.3 PAL Point. Any receipt or delivery Point on Transporter's system may be nominated as a PAL Point.

5.5.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, are applicable and hereby made part of this rate schedule.

5.5.4 RATES AND CHARGES

5.5.4.1 Rates.

The maximum and minimum rates for services under this Rate Schedule PAL are listed in Section 4.4 of Transporter's FERC Gas Tariff, Third Revised Volume No. 1. Transporter may adjust, in its sole discretion, and not on an unduly discriminatory basis, the rates charged for any day. Except as permitted by Section 5.5.4.5, Negotiated Rates, the adjusted rate(s) shall not exceed the applicable maximum rate(s), nor shall they be less than the minimum rate(s), set forth in Section 4.4. Transporter shall have the right to charge the maximum rate at any time as a condition for new service or for continuation of service under an existing Agreement, unless otherwise provided by the Agreement.

5.5.4.2 Park and Loan Charges.

- (A) The monthly charges for Parking Service shall be the sum of the following:
- (1) The product of (a) the quantities of Gas received by Transporter on any Day during the Month that Gas is received for Parking Service and (b) the applicable First Day Fee as listed in Section 4.4 of Transporter's FERC Gas Tariff, or as otherwise mutually agreed between Transporter and Shipper; and
 - (2) the product of (a) the quantities of Gas parked on the Transporter's system on each Day of the Month, excluding the days on which Shipper parks and subsequently removes such Gas from Transporter's system, and (b) the applicable Subsequent Day Fee.
- (B) The monthly charges for Loan Service shall be the sum of the following:
- (1) The product of (a) the quantities of Gas loaned to Shipper by Transporter on any Day during the Month that Gas is loaned to Shipper for Loan Service and (b) the applicable First Day Fee as listed in Section 4.4 of Transporter's FERC Gas Tariff, or as otherwise mutually agreed between Transporter and Shipper; and
 - (2) the product of (a) the quantities of loaned Gas retained by Shipper on each Day of the Month, excluding the days on which Shipper is first loaned such Gas and subsequently returns it, and (b) the applicable Subsequent Day Fee.
- (C) If on a given Day Transporter is unable to schedule a Shipper's nomination that would have reduced Shipper's outstanding Park and/or Loan balance on a given day, solely for the purpose of assessing a Subsequent Day charge under Sections 5.5.4.2(A)(2) and/or 5.5.4.2(B)(2) above, Shipper shall not be charged a Subsequent Day Fee for the quantity of Gas Transporter was unable to schedule in response to Shipper's nomination.

5.5.4.3 Reserved for Future Use.

5.5.4.4 Changes in Rates.

The rates specified in this FERC Gas Tariff, Third Revised Volume No. 1, for the service performed by Transporter for Shipper under this Rate Schedule PAL will be in effect until replaced or superseded by some other legally effective rate applicable to that service. Transporter shall have the unilateral right to file changes in rates for service rendered under this tariff with the Commission, and collect those in accordance with Section 4 of the Natural Gas Act. Shipper agrees to pay the effective rate on file with the Commission, including increases thereto, if any, the parties recognizing that the Commission has jurisdiction to determine in appropriate proceedings the just and reasonable rates to be charged for service hereunder. Nothing herein contained, however, shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, or as that act may be amended, including the right to participate fully in Commission proceedings by intervention or otherwise, and to protest or otherwise contest increased rates in whole or in part.

Notwithstanding any provisions of the PAL Service Agreement to the contrary, if in order to comply with or by reason of any present or future law or rule, regulation or order of any governmental body, the basis or method of measurement of gas is changed, then the price per Dth for Gas parked, loaned, or to which title is transferred shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for quantities of Gas parked, loaned, or to which title is transferred according to the measurement provisions set forth in the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall remain unaffected by the change of basis or method of measurement.

5.5.4.5 Negotiated Rates.

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to 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 Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to, or greater than the maximum applicable tariff rate; shall not be less than the minimum applicable tariff rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. Transporter's recourse rates shall be available to any Shipper that does not agree to a Negotiated Rate. Recourse rates are those set forth in Section 4.4 of this FERC Gas Tariff. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to the negotiation of terms and conditions of service.

If Transporter agrees to a Negotiated Rate, then such Negotiated Rate shall be effective only for the period agreed to by Transporter. During such period, 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 Transporter and Shipper in writing as being superseded 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 Transporter's FERC Gas 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.

Such Negotiated Rate shall be set forth in Shipper's Service Agreement and Transporter shall make any filings with the Commission necessary to effectuate such Negotiated Rate.

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 or unsubscribed capacity.

5.5.5 OTHER CHARGES - COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter for all fees required by the Commission or any other regulatory body that are separately assessed and directly related to the service provided under this rate schedule.

5.5.6 CREDITWORTHINESS

Any Shipper or potential Shipper under this Rate Schedule shall be subject to the creditworthiness requirements of Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

GENERAL TERMS AND CONDITIONS

6.1 DEFINITIONS

1. "Agreement" or "Service Agreement" shall mean the Firm Transportation Service Agreement, Interruptible Transportation Service Agreement, or Park and Loan Service Agreement executed by the Shipper and Transporter and any exhibits, attachments and/or amendments thereto.
2. "British thermal unit (Btu)" shall mean the defined International Tables British Thermal Unit (Btu International Tables). The energy value rounded to 1 MMBtu = 1.055056 GJ. (Btu is measured on a dry basis at 14.73 psia, at 60 degrees Fahrenheit.)
3. "Business Day" shall be defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
4. "C.C.T." shall mean Central Clock Time, representing the time in effect in the Central Time Zone of the United States at the time a transaction occurs, regardless of whether that time may be Standard Time or Daylight Savings Time as those terms are commonly known and understood.
5. "Commission" and "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction.
- 5.1 "Confirmed Price" shall mean the Transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper, computed at one hundred percent (100%) load factor, if applicable.
6. Reserved for Future Use.
7. "Cubic Foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit, and at a pressure of 14.73 pounds per square inch absolute.
8. "Dekatherm" and "(Dth)" shall mean a quantity of gas containing one million (1,000,000) BTUs.
9. "Expedited Period of Gas Flow" and ("EPF") shall mean the minimum period of time in hours in which a shipper may receive its full MDQ under Rate Schedule EFT, as represented by the term "MDQ/MHQ".
10. "Equivalent Quantity" - shall mean a quantity of Gas containing an amount of Dekatherms equal to the amount of Dekatherms received by Transporter from Shipper for Transportation.

11. "Gas" shall mean pipeline quality gas that complies with the quality provisions as set forth in the Section 6.8 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.
12. "Gas Day" shall mean a period beginning at 9 a.m. Central Clock Time (C.C.T.) and ending at 9 a.m. (C.C.T.) on the next calendar day.
13. Reserved for Future Use.
14. "Heating Value" shall mean the gross heating value, measured in BTUs, resulting from the ideal combustion of one (1) cubic foot of anhydrous gas at a temperature of 60 degrees Fahrenheit and a constant pressure of 14.73 pounds per square inch where all the water formed by the reaction condenses to liquid.
15. "Hour" shall mean a period of sixty (60) consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to Transporter and Shipper.
16. "Loan" or "Loan Service" - shall mean an advance by Transporter to Shipper at a PAL Point of a quantity of Gas nominated by Shipper as provided for under Transporter's Rate Schedule PAL.
17. "PAL Point" - shall mean a nomable point at which Transporter is authorized to receive and hold on behalf of Shipper or advance to Shipper a quantity of Gas nominated by Shipper pursuant to the Park and Loan Service of Rate Schedule PAL.
18. "PAL Service" - shall mean the providing by Transporter of Park and Loan Service under Transporter's Rate Schedule PAL.
19. Reserved for Future Use.
20. "Maximum Daily Quantity" and "(MDQ)" - shall mean the largest daily quantity of gas exclusive of the Transporter's Use that (a) Shipper may tender for Transportation Service and/or Park and Loan Services in the aggregate to all point(s) of receipt, and (b) Transporter is required to deliver to all point(s) of delivery.
21. "Maximum Hourly Quantity" and "(MHQ)" shall mean the largest quantity of gas that Transporter is obligated to deliver to the point(s) of Delivery, as set forth in the Rate Schedule EFT Transportation Agreement, during any Hour of the Gas Day, and shall reflect an hourly rate of gas flow that is no less than 1/24th and no greater than 1/4th of the MDQ under the Agreement.

22. "Maximum Quantity" or "MQ" - shall mean the largest total quantity of Gas that a Shipper may have parked on or borrowed from Transporter's system, as stated on Appendix A of a PAL Service Agreement.
23. "Mcf" shall mean one thousand (1,000) cubic feet of gas.
24. "Month" shall mean the period beginning at 9 a.m. (C.C.T.), on the first Day of a calendar Month, and ending at the same hour on the first Day of the next succeeding calendar Month.
25. "Off-System Capacity" shall mean capacity acquired by Transporter on other natural gas systems to provide service options to its shippers, including Seamless Transportation Service.
26. "Park" or "Parking Service" - shall mean the receipt at a PAL Point by Transporter of a quantity of Gas nominated by Shipper and the holding of such Gas by Transporter on behalf of Shipper as provided for under Transporter's Rate Schedule PAL.
27. "Reduction Option" shall be an option to terminate a Rate Schedule FT, EFT, or LFT Service Agreement early and/or reduce the capacity held thereunder for some portion of the term, including multiple periods within the term.
28. "Scheduled Daily Delivery" shall mean the quantity of gas, up to the MDQ, scheduled by Transporter based upon Shippers nomination and the applicable allocation procedures, and confirmed by Shipper to be delivered or tendered to Transporter for Transportation.
29. "Seamless Transportation Service" shall mean service provided to a Shipper(s) utilizing capacity on Transporter's own system together with off-system capacity.
30. "Shipper" shall mean an entity or its agent that has executed an Agreement in the form prescribed under this FERC Gas Tariff, Third Revised Volume No. 1, providing for the Transportation, the Parking or Loaning, or the Title Transfer Tracking of gas by Transporter. Shipper or its agent may also net or trade imbalances as provided in Section 6.3.9 of the General Terms and Conditions.
31. "Tender Gas," "Tender of Gas" and "Gas Tendered" shall mean the actual quantity of gas the delivering party is able and willing, and offers to deliver to the receiving party at the appropriate point(s) of receipt or delivery.
32. "Title Transfer Tracking" - shall mean the transfer of title between Shippers for a quantity of Gas at a receipt or delivery point on Transporter's System.

33. "Transportation" and "Transportation Service" shall mean transportation of gas.
34. "Transporter" shall mean Great Lakes Gas Transmission Limited Partnership. TransCanada Northern Border Inc. is Agent and Operator for Transporter and is authorized to exercise all rights and privileges of Transporter under this tariff.
35. "Transporter's Use" shall mean Transporter's compressor fuel, unaccounted gas and other operating usage, i.e., heating of compressor stations and compressor station blowdowns.
36. "Unavailable Day" shall mean a Gas Day when Transportation Service shall not be provided under Transporter's Rate Schedule LFT.
37. "Year" shall mean a period of 365 consecutive Days, provided however that any Year that contains a date of February 29 shall consist of 366 consecutive Days.
38. "Transporter's Internet Website" shall mean Transporter's internet home page, which contains information about Transporter's services and access to Transporter's Customer Activities Website, in accordance with Section 6.24 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

6.2 REQUEST FOR SERVICE

6.2.1 Requests.

- (a) Any Shipper or prospective shipper desiring service on Transporter's system must fully complete the request for service available through Transporter's Internet Website.
- (b) In circumstances where Transporter already possesses the static information, e.g., address, contacts, etc., for a Shipper and where the variable information, e.g., MDQ, term, etc., is provided through other reliable sources, e.g., a bid for Transportation Service, Shipper shall not be required to provide all or a portion of the information included in such Request. It will, however, be the responsibility of Shipper to notify Transporter of any changes to the information already in Transporter's possession.
- (c) Transporter will begin processing Shipper's request for service, but Transporter does not guarantee that service will be available. Transporter will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, including the credit requirements set out in Section 6.26 of this Tariff. Standard form Service Agreements for each service offered by Transporter 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, Third Revised Volume No. 1 if Shipper is not current in its payments to Transporter 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 6.9.4.

- (d) Transporter's acceptance of a Request is subject to Shipper satisfying Transporter's creditworthiness requirements of Section 6.26.
- (e) The applicable Commission filing fees relative to service under Rate Schedules FT, EFT, LFT, and IT shall be paid by the Shipper pursuant to Section 5.1.5 paragraph 1 of Rate Schedule FT, Section 5.2.5 paragraph 1 of Rate Schedule EFT, Section 5.3.5 paragraph 1 of Rate Schedule LFT, and Section 5.4.5 paragraph 1 of Rate Schedule IT in this FERC Gas Tariff, Third Revised Volume No. 1.
- (f) Transporter shall tender an Agreement identifying all subsequent information that is required before Transporter will execute the agreement, within thirty (30) Days after a Request is deemed valid; provided, however, that Transporter is not required to tender an Agreement for service pursuant to any Request seeking firm Transportation Service under Rate Schedule FT, expedited firm Transportation Service under Rate Schedule EFT, or limited firm Transportation Service under Rate Schedule LFT of

this FERC Gas Tariff, Third Revised Volume No. 1, if: (1) Transporter does not have sufficient capacity to render additional firm, expedited firm, or limited firm service, or (2) Transporter has capacity to render the requested firm, expedited firm, or limited firm service, but Shipper cannot commence service the first Day of the Month following the Shipper's execution of the Agreement, or on such later date as is mutually agreeable, or (3) the creditworthiness requirements as specified in Section 6.26 have not been satisfied. Shipper shall have thirty (30) Days from the date request is approved in which to execute the Agreement and to provide the required subsequent information or the Request shall be deemed null and void. Within thirty (30) Days of the receipt by Transporter of the executed Agreement, and all satisfactory subsequent information from the Shipper, the Transporter will execute the Agreement.

- (g) Transporter may conduct an open season for available capacity that is not otherwise subject to a pending request for transportation services. If Transporter conducts such an open season it will post a notice of the open season on Transporter's Internet Website to afford all potential shippers an opportunity to acquire the capacity. Any award of capacity through an open season is subject to the requirements for service to commence as set forth in this FERC Gas Tariff, Third Revised Volume No. 1, including Transporter's creditworthiness requirements. Any potential shipper wishing to purchase the capacity in an open season may participate in the open season. Transporter will use nondiscriminatory and objective posting, bidding, and evaluation criteria, which evaluation criteria will be specified in the notice of open season, along with the details of what constitutes a valid bid request. The successful bidder(s), if any, will be identified in the transactional reports area on Transporter's Internet Website within twenty-four (24) hours of the close of the open season. Once an open season commences, all requests for service for the capacity available through the open season will be treated under this open season process.
- (h) If Transporter is willing to consider offers for available or unsubscribed capacity containing Reduction Options, Transporter shall so state in its notice of such capacity. Such notice may include specific criteria of the acceptable terms for any Reduction Option. Transporter, in its determination of the value of a request for service containing a Reduction Option, will only consider the minimum incremental revenue guaranteed under the Service Agreement (i.e. the least possible revenue resulting from the transaction) if the option is or is not exercised, including any exit payment that the Shipper proposes to pay at the exercise of its option.

6.2.2 Pre-arranged Transportation Service and Interim Service

- (a) Pre-arranged Service. Transporter may enter into an agreement with a Shipper for transportation service for a future period ("Pre-arranged Service") for unsubscribed firm capacity posted on Transporter's Internet Website that is available or that will become available and is not subject to a right of first refusal, pursuant to Section 6.16 of the General Terms & Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, or to any other Shipper renewal rights. If there is an open season ongoing for certain capacity, Transporter will not enter into a Pre-arranged Service for that capacity during the open season.
- (b) Interim Service. Capacity that is under contract for a future period may be available for transportation service on an interim basis up to the commencement date of the Pre-arranged Service. The availability of interim capacity, including any limitations on the renewal rights for such capacity pursuant to Section 6.2.2(c), will be posted on Transporter's Internet Website. Transporter shall award the interim capacity up to the commencement date of the Pre-arranged Service to Shippers requesting such service.
- (c) Capacity Reservation. In order to reserve capacity under a Pre-arranged Service, Transporter reserves the right to limit any Shipper renewal rights, including the right of first refusal, which might otherwise apply to interim sales of the capacity, provided that:
1. Upon entering into a Pre-arranged Service for which capacity is to be reserved and for which renewal rights on any interim sales of such capacity shall be limited, Transporter will post a notice on Transporter's Internet Website indicating the terms of the Pre-arranged Service, and that the pre-arranged capacity is available for bidding.
 2. Except as provided otherwise in this Section 6.2.2(c)(2), Transporter shall post for bids and award the pre-arranged capacity in accordance with Section 6.2.1(g) of the General Terms and Conditions. Pre-arranged capacity shall be available for bidding for at least five (5) business days, and Transporter shall evaluate acceptable bids on a net present value (NPV) basis. The criteria for acceptable bids shall be included in the posting for bids. Bids may be for service to commence on the earliest date such capacity is available or some other future date. At the end of the bidding period, Transporter shall evaluate acceptable bids on a net present value (NPV) basis, utilizing the FERC approved interest rate as the discount rate, with the current value of any future bids reduced by the time value of the delay in the receipt of revenue. Any bid rate higher than the maximum applicable tariff rate shall be deemed to be equal to the maximum applicable tariff rate. NPV shall only include revenues generated by the reservation rate, or any other form of revenue guarantee, as proposed in a bid for the capacity. If an acceptable bid yields a higher NPV than that of the Pre-

arranged Service, the pre-arranged Shipper shall have a one-time right to match the highest competing bid in order to retain the capacity. If the pre-arranged Shipper elects not to match the highest competing bid, the capacity shall be awarded to the competing shipper whose acceptable bid produced the highest NPV. Nothing in this section shall require Transporter to discount below the maximum rate applicable to a transportation service nor shall Transporter be required to agree to any other terms.

6.3 NOMINATIONS, SCHEDULING AND ALLOCATION

6.3.1 General Nomination Guidelines.

- (a) Shipper shall furnish a nomination under Transporter's Rate Schedule FT, EFT, LFT, or IT of the estimated daily quantities of gas it desires Transporter to transport from each point of receipt to each point of delivery. Further, the sum of the transportation quantities nominated along any segment shall not exceed the aggregate MDQ for that segment. However, Shipper may nominate its full MDQ at a point as both a forward haul and a backhaul at the same time, subject to availability and operational capabilities at that point. Any quantities nominated at such point that are inverse in direction to that provided in the Agreement, shall be given a Category B Shipper priority status pursuant to Section 6.11.1 paragraph 2(b) of these General Terms & Conditions for allocation purposes.

For quantities required in excess of Shippers' MDQ, Shipper shall nominate all such quantities under a separate IT agreement.

Shipper shall also furnish a nomination for the estimated daily quantities of Gas for which it desires Park and Loan Service under Transporter's Rate Schedule PAL.

Shipper shall have the ability to make a nomination at a receipt or delivery point on Transporter's system to reflect the transfer of title for a quantity of Gas to another Shipper(s) at that same point ("Title Transfer Tracking"). To submit a Title Transfer Tracking nomination, a Shipper must first enter into a Market Center Agreement on Transporter's Customer Activities Website. The quantity of Gas nominated by a Shipper for title transfer must equal the quantity nominated for acceptance by the other Shipper(s). Such transfers do not involve any physical movement of Gas at the point and title to such Gas shall transfer directly from nominating Shipper to accepting Shipper(s). There is currently no charge assessed for Title Transfer Tracking.

- (b) All nominations must be made electronically either through Transporter's Customer Activities Website or through EDI pursuant to Section 6.24 of the General Terms and Conditions, or by such other mutually agreed upon method. In the event of a failure of electronic nomination communication equipment, the internet, or a third party service provider, or any other similar emergency event, Shipper may submit and Transporter will accept written nominations. Any such emergency event shall be handled in a not unduly discriminatory manner.
- (c) If Transporter is required to allocate the capacity of its system among its Shippers on any Gas Day pursuant to Section 6.11 hereof, Transporter shall use the information furnished by each Shipper on the nomination in making such allocation.
- (d) In order to maintain efficient operation and to allow for optimum system utilization, Shipper shall notify Transporter of any changes of daily deliveries to Transporter or

daily receipts from Transporter which deviate from scheduled nominations. Transporter shall notify Shipper of any changes of daily receipts from Shipper or of any daily deliveries to Shipper. The notification required by the preceding two sentences shall be made by telephone or other instant communication immediately upon knowledge thereof.

- (e) Reserved for Future Use.
- (f) Shipper shall have the ability to make nominations with roll over options and shall have the ability to nominate for multiple months or years, provided the nomination begin and end dates are within the term of the Shipper's Service Agreement. Any Shipper submitting nominations, however, for periods beyond the current month shall be required to submit revised nominations for the upcoming business month after Transporter's Use percentages for said month are established. Transporter will post such percentages on Transporter's Internet Website as set forth in Section 6.27, paragraph (b) of these General Terms and Conditions.
- (g) Transporter has established a pooling point on its system at the Emerson point of interconnection. For administrative purposes, this pooling point shall be considered a logical point located immediately downstream of the physical interconnect. Shippers will be allowed to aggregate gas at the Emerson pooling point from multiple physical or logical points, and/or dis-aggregate gas from the Emerson pooling point to multiple physical or logical points. Shippers may make deliveries to the Emerson pooling point from any receipt point, or make deliveries to any point on the system from the Emerson pooling point. The priority for the Emerson pooling point shall be the same as the priority for the Emerson physical point for each Service Agreement.

6.3.2 Nomination Timeline.

- (a) Shippers, including Title Transfer Tracking Service Providers (TTTSPs), will have six (6) cycles during which nominations can be submitted: the Timely nomination cycle, the Evening nomination cycle, the Intraday 1 nomination cycle, the Intraday 2 nomination cycle, the Intraday 3 nomination cycle, and the Last Intraday nomination cycle. The nominations submitted during the Evening, Intraday 1, Intraday 2, Intraday 3, and Last Intraday nomination cycles shall be known as intraday nominations.
- (b) Transporter and its Shippers shall follow the following timeline for the nomination and confirmation of gas quantities (all times shown are Central Clock Time pursuant to NAESB Standard 0.3.17).
- (1) 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 Transporter (including from TTTSPs);
 - 1:30 p.m. Transporter sends the quick response to the service requester;
 - 4:30 p.m. Transporter receives completed confirmations from confirming parties;
 - 5:00 p.m. Service requester and point operator receive scheduled quantities from Transporter.

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

- (2) The Evening Nomination Cycle
On the day prior to gas flow:
- 6:00 p.m. Nominations leave control of the service requester;
 - 6:15 p.m. Nominations are received by Transporter (including from TTTSPs);
 - 6:30 p.m. Transporter sends the quick response to the service requester;
 - 8:30 p.m. Transporter receives completed confirmations from confirming parties;
 - 9:00 p.m. Transporter provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

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

(3) The Intraday 1 Nomination Cycle

On the current Gas Day:

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

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

(4) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the service requester;
- 2:45 p.m. Nominations are received by Transporter (including from TTTSPs);
- 3:00 p.m. Transporter sends the quick response to the service requester;
- 5:00 p.m. Transporter receives completed confirmations from confirming parties;
- 5:30 p.m. Transporter 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 shall be effective at 6:00 p.m. on the current Gas Day.

(5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the service requester;
- 7:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the quick response to the service requester;
- 9:30 p.m. Transporter receives completed confirmations from confirming parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected service requester and point operator.

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

(6) The Last Intraday Nomination Cycle

On the current Gas Day:

- 2:45 a.m. Nominations leave control of the service requester;
- 3:00 a.m. Nominations are received by Transporter (including from TTTSPs);
- 3:15 a.m. Transporter sends the quick response to the service requester;
- 4:30 a.m. Transporter receives completed confirmations from confirming parties;
- 5:00 a.m. Transporter provides scheduled quantities to the affected service requester and point operator.

Scheduled quantities resulting from Last Intraday Nominations shall be effective at 5:00 a.m. on the current Gas Day. Bumping is not allowed during the Last Intraday Nomination Cycle.

(7) For purposes of NAESB WGQ Standard 1.3.2, the word “provides” as used in Section 6.3.2 paragraphs (b)(2) through (b)(6) above shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (c) Nominations under the Last Intraday cycle shall be on a best efforts basis, subject to pipeline operations.
- (d) 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.
- (e) Intraday nominations span only one Gas Day and do not replace the remainder of a standing nomination.
- (f) Bumping is not allowed during the Intraday 3 and Last Intraday nomination cycles.
- (g) Transporter may, on a not unduly discriminatory basis, extend the "Nominations due to Transporter" deadlines stated herein, provided that such action does not adversely impact any other shipper(s) on Transporter's pipeline system.

6.3.3 Imbalances and Penalties.

It is recognized that daily variances between scheduled and actual quantities at an interconnecting point may be beyond Shipper's control. Such variances will be considered imbalances. Transporter shall reconcile imbalances with the related interconnecting, or welded, party through the use of OBA arrangements or by allocating such imbalance to the primary transportation agreement at a particular interconnecting point (use of swing allocation methodology as approved in NAESB flowing gas standards), or as otherwise agreed upon by the parties. Other methodologies that may be agreed upon by the parties include Ranked, Pro-Rata, Percentage, and Operator Provided Value. In the absence of such arrangements between Transporter and the interconnecting party, any imbalances at an interconnecting point shall be allocated on a pro-rata basis to all shippers at the affected point based on scheduled and confirmed nominations. All imbalances shall be kept to a minimum permitted by operating conditions and shall be balanced as soon as practicable without adversely affecting Transporter's operations or its ability to meet all other obligations. Transporter will provide a statement of imbalance to Shipper at the time of, or prior to, the rendering of the transportation invoice, as described in Section 6.9.1 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Transporter will also provide timely information, based on actual data, on the imbalance status of each Shipper and of the system as a whole on Transporter's Internet Website. Such information will include statements updated daily of the status during the course of a month and at month-end.

After notification to Shipper by Transporter of an imbalance, Shipper shall make the appropriate nomination, in accordance with the time periods set forth in Sections 6.3.1 and 6.3.2 above, or change in gas flow to correct the imbalance.

The time limitation for disputes of allocations should be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. 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.

It shall be the responsibility of Shipper to monitor, control and adjust deliveries of gas to Transporter and receipts of gas from Transporter. Transporter shall not be obligated to deliver to Shipper at the delivery point(s) quantities in excess of the quantities received from Shipper at the receipt point(s) after deductions for Transporter's Use, nor shall Transporter be obligated to receive from Shipper at the receipt point(s) quantities in excess of the quantities delivered to the Shipper at the delivery point(s) after deduction for Transporter's Use. In the event of an imbalance resulting directly or indirectly from Shippers' actions or inactions, Transporter may, in addition to any other remedies under law that it may have, charge Shipper an imbalance penalty.

(a) **Accumulated Imbalances.** If Shipper fails to maintain a balance of receipts and deliveries and such failure is not the result of force majeure as specified in Section 6.10 of these General Terms and Conditions, Transporter may impose an imbalance penalty only to the extent that Transporter's ability to maintain reliable service was impaired. No imbalance penalty shall be assessed until Transporter has notified Shipper that an imbalance exists and Shipper has failed to take corrective action acceptable to Transporter.

1. For purposes of this provision, an "Accumulated Imbalance Quantity" shall mean the cumulative difference between actual month-end receipts and deliveries as posted on Transporter's Internet Website under the Service Agreement since the date of initial service; "Tolerance Level" shall mean the greater of 2,000 Dth or five percent (5%) of the total quantity of gas delivered by Transporter to Shipper during any Month; and "Imbalance Penalty Quantity" shall mean that portion of the Accumulated Imbalance Quantity in excess of the Tolerance Level which threatens to impair reliable service.

An imbalance penalty shall be levied by Transporter against any Shipper who has not reduced the Accumulated Imbalance Quantity to within the Tolerance Level by the sixtieth (60th) Day following notification of the imbalance (make-up period), but only to the extent that such imbalance impaired reliable service (Imbalance Penalty Quantity). Any additional net imbalances incurred during the make-up period will be subject to a separate make-up period.

At the end of any make-up period, if Shipper shall have an Accumulated Imbalance Quantity, regardless of whether this quantity is an overdelivery or an underdelivery of gas, which is in excess of the Tolerance Level, Transporter shall apply an imbalance penalty upon the Imbalance Penalty Quantity equal to twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.

Once a penalty has been assessed the Imbalance Penalty Quantity is corrected. Imbalance Penalty Quantities for which a penalty has been paid shall be removed from the Accumulated Imbalance Quantity.

The netting and trading of imbalances is permitted pursuant to Section 6.3.9 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Nothing herein shall limit Transporter's right to take actions of whatever nature as may be required to correct imbalances which threaten the integrity of its system, including maintenance of service to other customers.

2. The imbalance penalty provided for hereunder shall not apply in the event of the occurrence of any event of force majeure as defined in Section 6.10 of the

General Terms and Conditions or of an event of curtailment on the Transporter's System as defined in Section 6.11 of the General Terms and Conditions of this Tariff.

(b) Imbalances at Termination of Agreement.

In the event the quantities of gas received and delivered are not in balance at the end of the term of the Agreement, then such balancing shall be achieved within sixty (60) Days after determination of such imbalance by extending receipts or deliveries as applicable at the appropriate point(s) of receipt or point(s) of delivery until such imbalance is satisfied or by such other method mutually agreed upon by the parties which balances the parties with Equivalent Quantities of gas. The penalty charged by Transporter for imbalance gas still owing to the Transporter after such sixty (60) Day period, if any, that Shipper is unable to supply to Transporter shall be twice the average of the daily midpoint prices reported for Emerson, Viking GL in the Daily price survey as published by Platts in Gas Daily for the month invoiced.

6.3.4 Scheduling of Transportation and Allocation of Capacity.

In scheduling nominated quantities, Transporter shall utilize the priorities established in Section 6.11 hereof. If, on any Day, Transporter determines that the capacity of its system, or portion(s) thereof, is insufficient to serve all requirements scheduled for such Day or is insufficient to accept the quantities of gas tendered for transportation by Shipper, then Transporter shall allocate its available capacity on the basis of the procedures contained in Section 6.11 hereof.

6.3.5 Scheduling Penalty.

For service under Rate Schedule FT, Rate Schedule LFT, and Rate Schedule IT, a penalty shall be levied by Transporter and paid in dollars (U.S.) by any Shipper who deviates from the limits specified below. Such penalties shall apply on an individual contract basis. Nothing herein shall limit the Transporter's right to take actions of whatever nature as may be required to correct deviations which threaten the integrity of its system, including maintenance of service to other customers.

A daily scheduling penalty, as stated below, shall be levied by Transporter and paid in dollars (U.S.) by any Shipper who, upon notification by Transporter of the existence of deviations in scheduled deliveries to be received by the Transporter at each point of receipt on a daily basis, fails to correct the problem on a prospective basis after a 48 hour grace period. Such penalty shall be applied daily to the quantities which deviate from the limits specified below, on a prospective basis, commencing after the 48 hour grace period and initial notification by Transporter. This penalty shall continue through the Month in which notification was given or until the deviation is corrected.

The penalty shall be the maximum applicable Rate Schedule IT rate for the zones of the service to be provided. The penalty shall be billed each month based on daily quantities which deviate from Daily Scheduled Deliveries by the greater of 10% or 2,000 Dth. The penalty is in addition to applicable transportation charges.

6.3.6 Hourly Variation.

Receipts and deliveries, except deliveries for Rate Schedule EFT, shall be made at uniform hourly rates throughout the Gas Day to the extent practicable; Transporter, however, may agree on a not unduly discriminatory basis to receive or deliver Gas at a non-uniform rate during any hour. Subject to Section 5.2.2(e) of Rate Schedule EFT, Shippers under such Rate Schedule shall be entitled to maximum hourly deliveries equal to the respective delivery point MHQ.

6.3.7 Limitation of Obligation.

In the event that any gas in excess of the Scheduled Daily Delivery would adversely affect Transporter's operations and/or its ability to meet its contract commitments to others, Transporter shall have the right to refuse to accept, without any liability to Shipper or any other person, all or such part of the excess delivery as Transporter deems necessary, and Transporter shall notify Shipper accordingly as soon as feasible. To the extent Transporter is required to accept any such gas due to operational conditions on its system, Transporter shall be entitled to retain the gas for its own account and to utilize such gas for any lawful purpose, without payment therefor, subject to the balancing provisions of this FERC Gas Tariff, Third Revised Volume No. 1.

6.3.8 Operational Arrangements.

It is essential that Transporter maintain operational and physical control of its pipeline system to ensure the integrity of that system and to assure that necessary Transportation Service is provided to Transporter's Shippers. From time to time it may be necessary for the Transporter to enter into operational arrangements with other pipeline companies, local distribution companies, Shippers under either Transporter's FERC Gas Tariff, Original Volumes No. 2 or Third Revised Volume No. 1, or other persons to maintain such operational and physical control of the pipeline system. Examples of such operational arrangements include, but are not limited to, operational balancing agreements with pipeline companies, local distribution companies, Shippers or other operators of facilities interconnecting with Transporter's system, agreements necessary to effectuate construction and maintenance on the system, agreements necessary to continue service during unplanned outages or emergency situations, and operational purchases and sales of gas pursuant to Section 6.3.8(A) herein. As necessary, Transporter shall enter into such operational arrangements. These operational arrangements shall reflect the constraints on the Transporter's pipeline system that exist from time to time. The intended effect of such operational arrangements on Transporter's Shippers shall be to ensure the integrity of Transporter's pipeline system to minimize any inconvenience to Transporter's Shippers and assure that contracted Transportation Service is provided.

(A) Operational Purchases and Sales

- (1) Transporter may buy and/or sell gas to the extent necessary to:
 - (a) maintain system pressure and line pack;
 - (b) manage system imbalances;
 - (c) perform other operational functions of Transporter in connection with transportation, and other similar services; or
 - (d) otherwise protect the operational integrity of Transporter's system.
- (2) Any operational purchases and/or sales will be made on an unbundled basis and at Receipt Points. Operational purchases or sales shall have a lower transportation priority than firm service.
- (3) Transporter will post its operational purchases and/or sales quantities for bidding on Transporter's Internet Website or alternatively on third party electronic bulletin boards(s) in accordance with the applicable bidding provisions which will be posted at the time of the sale. Transporter reserves the right, in its sole discretion, to:
 - (a) withdraw its postings;
 - (b) reject all bids due to operational changes; and

- (c) reject any bids which do not meet the terms of the posting, which contain modifications to the terms of the posting or which contain terms that are operationally unacceptable.
- (4) Transporter will file a report on or before May 1 of each year reflecting the operational purchases/sales for the 12-month period ending the preceding December 31. The report will indicate:
 - (a) the source of the operational gas purchased/sold;
 - (b) the date of the purchase/sale;
 - (c) volumes;
 - (d) the purchase/sale price;
 - (e) the costs and revenues from the purchase/sale;
 - (f) the disposition of the associated costs and revenues;
 - (g) an explanation of the purpose of any operational purchase/sale; and
 - (h) whether Transporter exercised its rights under Section 6.3.8(A)(3)(b) and (c) to withdraw postings or reject bids for operational sales transactions.

6.3.9 Imbalance Netting and Trading.

(A) Operational Impact Area.

An Operational Impact Area is the largest possible area on Transporter's system in which imbalances have a similar operational effect and within which Shippers can net or trade imbalances. On Transporter's system there is one (1) Operational Impact Area consisting of the Western, Central, and Eastern rate zones. Shippers on Transporter's system may net or trade imbalances within and across all three (3) rate zones.

(B) Imbalance Netting.

- (1) At the end of each Month, Transporter shall net all of a Shipper's imbalances within each rate zone on and across its Service Agreements to provide the Shipper with the lowest possible net imbalance or to accumulate imbalances within each rate zone to facilitate the trading of imbalances with other Shippers. Transporter will first net imbalances among a Shipper's Agreements under the same Rate Schedule and then will net imbalances across the Shipper's Service Agreements under all Rate Schedules.
- (2) In the event that Shipper desires to net imbalances across rate zones, Shipper shall be subject to the applicable charges and fees for Transportation Service across the rate zones only if any such charges and fees for the service have not already been paid. Any such Transportation Service necessary to effectuate imbalance netting across rate zones shall be administered under the Transportation Service Agreement of the Shipper's choosing. Shipper must notify Transporter of its desire to net imbalances across rate zones under the Transportation Service Agreement chosen by the Shipper.

(C) Imbalance Trading.

- (1) Posting of Imbalances for Trade.
 - (a) A Shipper may notify Transporter either electronically or in writing that it wishes its imbalance(s) to be posted on Transporter's Internet Website as being available for trading. Shipper shall communicate to Transporter: the quantity available for trading; the point or zone where the imbalance is located; a contact name, phone number, and e-mail address; and any special conditions. Authorization to post imbalances received by Transporter by 11:45 a.m. (CCT) shall be posted by 8:00 a.m. (CCT) on the following business day.

- (b) A Shipper may also notify Transporter to automatically post its imbalances on Transporter's Internet Website. In its notice Shipper shall communicate to Transporter a contact name, phone number, and e-mail address and any special conditions. Such imbalances shall be posted to Transporter's Internet Website concurrently with the daily issuance of imbalance statements. Such postings will reflect actual imbalance data. Transporter shall continue to post imbalances for trading until subsequent notice is provided to Transporter by Shipper to discontinue such posting.
- (2) Trading of Imbalances.
 - (a) After a trade has been negotiated by or among Shippers, one Shipper (the Initiating Trader) shall notify Transporter either electronically or in writing of its request to trade imbalances with another Shipper (the Confirming Trader). The Initiating Trader must also communicate to Transporter: the parties to the trade; contact names, phone numbers, and e-mail addresses; the imbalance quantity to be traded; and the locations of the imbalances to be traded.
 - (b) Before Transporter shall facilitate the imbalance trade, the Confirming Trader must verify the terms of the trade and notify Transporter in writing of its acceptance of such terms.
 - (c) In the event that the Shippers desire to trade imbalances across rate zones, the Initiating Trader shall be subject to the applicable transportation charges and fees for Transportation Service across the rate zones only if any such charges and fees for the service have not already been paid. Any such Transportation Service necessary to effectuate imbalance trading across rate zones shall be administered under the Transportation Service Agreement of the Shippers' choosing.

6.3.10 Third Party Imbalance Management Services.

Nothing in Transporter's FERC Gas Tariff, Third Revised Volume No. 1 shall preclude Shippers from obtaining imbalance management services from a third party provider.

6.4 PRESSURE AT POINT(S) OF RECEIPT AND DELIVERY

1. Pressure at Point(s) of Receipt.

Unless otherwise agreed to by the parties as set forth in the Agreement, Shipper shall cause the gas to be delivered to Transporter at the point(s) of receipt at a pressure sufficient to allow the gas to enter Transporter's existing pipeline system at the varying pressures that may exist in the system from time to time; provided, however, that the pressure of the gas delivered or caused to be delivered by Shipper shall not exceed the Maximum Allowable Operating Pressure ("MAOP") of Transporter's system.

2. Pressure at Point(s) of Delivery.

Unless otherwise agreed to by the parties as set forth in the Agreement, Transporter shall deliver gas to Shipper at the point(s) of delivery at Transporter's prevailing line pressure as the pressure may vary from time to time up to the MAOP of Transporter's system at the point(s) of delivery.

6.5 MODIFICATION OF POINTS OF RECEIPT AND DELIVERY

6.5.1 Definitions.

For purposes of this subsection, the following terms shall have the following meanings:

1. "Primary Receipt Point" shall mean the point designated within an Agreement under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT of this FERC Gas Tariff, Third Revised Volume No. 1 as the primary point for receipt of natural gas on a firm basis.

The receipt points listed in Agreements under Rate Schedule FT to Transporter's FERC Gas Tariff, Original Volume No. 3 (now contained in this Third Revised Volume No. 1) on November 1, 1993 shall become Primary Receipt Points under those Agreements on November 1, 1993 without further action by a Shipper.

2. "Secondary Receipt Point" shall mean a receipt point that is not a Primary Receipt Point.
3. "Primary Delivery Point" shall mean the point designated within an Agreement under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT of this FERC Gas Tariff, Original Volume No. 3 (now contained in this Third Revised Volume No. 1) as a primary point for delivery of natural gas on a firm basis.

The delivery points listed in Agreements under Rate Schedule FT to Transporter's FERC Gas Tariff, Original Volume No. 3 (now contained in this Third Revised Volume No. 1) on November 1, 1993 shall become Primary Delivery Points under those Agreements on November 1, 1993 without further action by a Shipper.

4. "Secondary Delivery Point" shall mean a delivery point that is not a Primary Delivery Point.
5. "Transportation Path" shall mean that area of the Transportation Service provided under Shipper's Agreement that is bounded by the farthest upstream Primary Receipt Point within Shipper's Agreement and the farthest downstream Primary Delivery Point within Shipper's Agreement (or vice-versa where the receipt point is downstream of the delivery point).

6.5.2 Rate Schedule IT Agreements.

Shippers with Agreements under Rate Schedule IT of this FERC Gas Tariff, Third Revised Volume No. 1:

- (a) May utilize all receipt points on Transporter's system; and
- (b) May utilize all delivery points on Transporter's system.

All Rate Schedule IT Agreements in existence on November 1, 1993 shall be deemed to have as receipt points all receipt points on Transporter's system and to have as delivery points all delivery points on Transporter's system.

1. Shippers may utilize Primary and Secondary points to segment capacity for their own use subject to the general nomination guidelines described in Section 6.3.1 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1 and provided that the segmentation nomination is operationally feasible. The aggregate nominated MDQ along any segment shall not exceed the service entitlement of the Transportation Agreement. Segmentation may occur at any point on Transporter's System whether a physical or a virtual point.

6.5.3 Primary Receipt Point Adjustment.

Shipper may request to permanently remove, add, or adjust the maximum daily receipt quantity at any Primary Receipt Point within the zone(s) for which Shipper is paying (Primary Point Adjustment). Shippers seeking a permanent Primary Point Adjustment shall provide Transporter with a request of such change at least 5 days prior to the desired effective date of the change. For Primary Point Adjustment Requests received, the sum of the maximum daily receipt quantities for all Primary Receipt Points under Shipper's Transportation Service Agreement, as adjusted, shall be equal to the Maximum Daily Quantity of Shipper's Transportation Service Agreement. Acceptance of a Primary Point Adjustment is subject to the availability of capacity and the operational and metering capabilities at the specified point(s). The Adjustment must not diminish Transporter's ability to maintain its service priorities to other customers, including but not limited to, other firm contractual commitments and pressure requirements. Transporter shall not be required to accept a Primary Point Adjustment if the Adjustment would reduce the reservation charges applicable under the Shipper's Transportation Service Agreement. Transporter shall evaluate any Primary Point Adjustment Request on a not unduly discriminatory basis with, and applying the same standards for evaluating, any request(s) for new service at such point(s). For purposes of evaluating a Primary Point Adjustment Request, the Primary Point Adjustment will have an NPV of zero, unless the applicable reservation charges for the service have been changed to create a positive NPV. Upon acceptance of a Primary Point Adjustment, Shipper's Transportation Service Agreement shall be permanently revised to reflect the Primary Points, maximum daily receipt quantities, effective date, and, if applicable, any change in reservation charge as stated on Shipper's Primary Point Adjustment Request, and Shipper shall permanently relinquish its right to points or quantities no longer reflected on its Transportation Service Agreement. Transporter may remarket the capacity and primary point rights relinquished by the Shipper.

6.5.4 Secondary Receipt Points.

1. Shipper may utilize any receipt point within its Transportation Path as a Secondary Receipt Point. Use of any such point is subject to the metering capabilities at that point and must not diminish Transporter's ability to maintain its service priorities to other customers, including but not limited to, other firm contractual commitments and pressure requirements. Unless mutually agreed otherwise, Shipper shall continue to pay the Reservation Fee or Volumetric Rate applicable to its Primary Receipt Point for any such deliveries, unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the Primary Receipt Point.
2. Shipper may utilize any receipt point outside its Transportation Path, as a Secondary Receipt Point, such usage is subject to the availability of pipeline capacity at and from the receipt point. Unless mutually agreed otherwise, Shipper shall continue to pay the Reservation Fee or Volumetric Rate applicable to its Primary Receipt Point, unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the Primary Receipt Point. In addition, Shipper shall pay the 100% load factor rate for the service outside the zones for which a Reservation Fee or Volumetric Rate is paid.
3. Secondary Receipt Points are automatically available. Notification of their use is to be made through the nominating process set forth in Section 6.3 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

6.5.5 Primary Delivery Point Adjustment.

Shipper may request to permanently remove, add, or adjust the maximum daily delivery quantity at any Primary Delivery Point within the zone(s) for which Shipper is paying (Primary Point Adjustment). Shippers seeking a permanent Primary Point Adjustment shall provide Transporter with a request of such change at least 5 days prior to the desired effective date of the change. For Primary Point Adjustment Requests received, the sum of the maximum daily delivery quantities for all Primary Delivery Points under Shipper's Transportation Service Agreement, as adjusted, shall be equal to the Maximum Daily Quantity of Shipper's Transportation Service Agreement. Acceptance of a Primary Point Adjustment is subject to the availability of capacity and the operational and metering capabilities at the specified point(s). The Adjustment must not diminish Transporter's ability to maintain its service priorities to other customers, including but not limited to, other firm contractual commitments and pressure requirements. Transporter shall not be required to accept a Primary Point Adjustment if the Adjustment would reduce the reservation charges applicable under the Shipper's Transportation Service Agreement. Transporter shall evaluate any Primary Point Adjustment Request on a not unduly discriminatory basis with, and applying the same standards for evaluating, any request(s) for new service at such point(s). For purposes of evaluating a Primary Point Adjustment Request, the Primary Point Adjustment will have an NPV of zero, unless the applicable reservation charges for the service have been changed to create a positive NPV. Upon acceptance of a Primary Point Adjustment, Shipper's Transportation Service Agreement shall be permanently revised to reflect the Primary Points, maximum daily delivery quantities, effective date, and, if applicable, any change in reservation charge as stated on Shipper's Primary Point Adjustment Request, and Shipper shall permanently relinquish its right to points or quantities no longer reflected on its Transportation Service Agreement. Transporter may remarket the capacity and primary point rights relinquished by the Shipper.

6.5.6 Secondary Delivery Points.

1. Shipper may utilize any delivery point within its Transportation Path as a Secondary Delivery Point. Use of any such point is subject to the metering capabilities at that point and must not diminish Transporter's ability to maintain its service priorities to other customers, including but not limited to, other firm contractual commitments and pressure requirements. Unless mutually agreed otherwise, Shipper shall continue to pay the Reservation Fee or Volumetric Rate to its Primary Delivery Point for any such deliveries, unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the Primary Delivery Point.
2. Shipper may utilize any delivery point outside its Transportation Path, as a Secondary Delivery Point, such usage is subject to the availability of pipeline capacity at and to the delivery point. Unless mutually agreed otherwise, Shipper shall continue to pay the Reservation Fee or Volumetric Rate applicable to its Primary Delivery Point, unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the Primary Delivery Point. In addition, Shipper shall pay the 100% load factor rate for the service outside the zones for which a Reservation Fee or Volumetric Rate is paid.
3. Secondary Delivery Points are automatically available. Notification of their use is to be made through the nominating process set forth in Section 6.3 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

6.5.7 Physical Receipt Points.

Transporter shall post on Transporter's Internet Website, as part of its operationally available capacity, the physical receipt points available on its pipeline system. Transporter may revise such points any time and from time to time.

6.5.8 Physical Delivery Points.

Transporter shall post on Transporter's Internet Website, as part of its operationally available capacity, the physical delivery points available on its pipeline system. Transporter may revise such points any time and from time to time.

6.6 MEASUREMENT

1. The unit of volume for the purpose of measurement shall be one thousand cubic feet of gas at a temperature base of sixty degrees (60°) Fahrenheit and a pressure base of 14.73 pounds per square inch absolute (psia). The Dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating value per cubic foot of the Gas delivered hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1,000).
2. The average absolute atmospheric (barometric) pressure at each point of receipt and each point of delivery shall be assumed to be fourteen and four-tenths (14.4) pounds per square inch, irrespective of the actual location or elevation above sea level of the point of receipt or point of delivery or of any variation in actual atmospheric pressure from time to time.
3. The flowing temperature of the gas(es) shall be determined by means of an instrument of standard manufacture accepted in the industry for this purpose.
4. The supercompressibility factor used in computing the volume of gas delivered through an orifice meter shall be determined in a manner consistent with the method contained in the American Gas Association "Manual for the Determination of Supercompressibility Factors for Natural Gas (NX-19 Report)" or American Gas Association "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases" (AGA Report No. 8), as such publications may be revised from time to time.
5. The specific gravity of the gas used in computing the volume of gas delivered shall be determined at intervals of not more than thirty (30) Days by means of an instrument(s) of standard manufacture accepted in the industry for this purpose using a sample of gas, or a representative sample of gas, of the gas stream flowing to the point of receipt or point of delivery.
6. The compressibility ratio factor "s" used in computing the volume of gas delivered through a turbine meter or a positive displacement meter shall be determined by the equation $s = (Fpv)^2$, in which "Fpv" is the supercompressibility factor determined as described in Section 6.6 paragraph 4, hereof.
7. In determining the flowing temperature factor, supercompressibility factor, and compressibility ratio factor "s" for use in computing the volume of gas delivered through a meter, the flowing gas temperature for only the period(s) of time that gas was flowing through the meter shall be used.
8. The cutoff for the closing of measurement is five (5) business days after month end.

6.7 MEASUREMENT EQUIPMENT

6.7.1 Equipment.

- (a) The volume of gas delivered at the point(s) of receipt and at the point(s) of delivery shall be measured by:
- (i) An orifice meter designed, installed, maintained and operated as recommended in the latest issue of American National Standard ANSI/API 2530 (American Gas Association Gas Measurement Report No. 3), entitled "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 3") (revisions will be incorporated within a reasonable time period); or
 - (ii) A turbine meter designed, installed, maintained and operated as recommended in the latest issue of American Gas Association Transmission Measurement Committee Report No. 7 entitled "Measurement of Fuel Gas by Turbine Meters", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 7") (revisions will be incorporated within a reasonable time period); or
 - (iii) A positive displacement meter installed and operated in accordance with generally accepted industry practices; or
 - (iv) An Ultrasonic meter designed, installed, maintained and operated as recommended in the latest issue of American Gas Association Transmission Measurement Committee Report No. 9 entitled "Measurement of Gas by Multipath Ultrasonic Meters", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 9") (revisions will be incorporated within a reasonable time period).
- (b) The construction and installation of the metering facilities shall be in accordance with the recommendations and specifications set forth by the reports specified in Section 6.7.1(a)(i), (ii), and (iv) hereof or by the meter manufacturer specified in Section 6.7.1(a)(iii) hereof.

6.7.2 Auxiliary Measuring Equipment.

Auxiliary measuring equipment shall be installed, maintained and operated in accordance with generally accepted industry practices. Chromatographs calculating the heating value (Btu) of the gas shall be programmed having the Gas Processors Association (GPA) Standard 2145 Table of Paraffin Hydrocarbons and Other Components of Natural Gas.

6.7.3 Measurement Computations.

The volume of gas delivered at each point of receipt and point of delivery shall be calculated by means of an electronic flow computer located at, or by the processing of meter charts recorded at, each point of receipt or each point of delivery. The calculation or processing, in either case, shall be performed in the following manner:

- (a) When the measuring equipment is an orifice meter, the flow of gas through the meter shall be computed in the manner recommended in AGA Report No. 3, properly using all factors set forth therein.
- (b) When the measuring equipment is a turbine meter, the volume of gas delivered through the meter shall be computed in the manner recommended in AGA Report No. 7, properly using all factors set forth therein.
- (c) When the measuring equipment is a positive displacement meter, the volume of gas delivered through the meter shall be computed by properly applying, to the volume delivered at flowing gas pressures and temperatures, correction factors for (1) absolute static pressure, (2) flowing gas temperature, (3) compressibility ratio and (4) specific gravity.
- (d) When the measuring equipment is an ultrasonic meter, the volume of gas delivered through the meter shall be computed in the manner recommended in AGA Report No. 9, properly using all factors set forth therein.

6.7.4 Testing and Accuracy.

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

All flow, measuring, testing and related equipment shall be of standard manufacture, and type approved by Transporter. Transporter or Shipper may install check measuring equipment, provided that such equipment shall be installed so as not to interfere with the operations of the operator. Transporter, or Shipper, in the presence of the other party or operator, if applicable, shall have access to measuring equipment at all reasonable times, but the reading, calibrating and adjusting thereof and the changing of charts, if any, shall be done by the operator of the facilities. Transporter or Shipper shall have the right to be present at the time of the installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done by the operator of the measuring equipment. The records from such measuring equipment shall remain the property of the operator, but upon request, Shipper or Transporter may request records, including charts, if any, together with calculations therefrom for inspection, subject to return within ten (10) business days after receipt thereof. Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment to avoid any inaccuracy in the determination of the volume of gas received and delivered.

The accuracy of all measuring equipment shall be verified by operator at intervals of not more than six (6) Months, and if requested, in the presence of representatives of the Shipper or Transporter, but neither Transporter, Shipper nor operator shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. However, if an electronic measurement system is utilized, its components shall be calibrated at least once every ninety (90) Days. If the operator agrees to verification and testing of measuring equipment and fails to perform the verification and testing, then Shipper or Transporter shall have the right to cease or temporarily discontinue service under this Agreement relative to such measuring equipment. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of the equipment. The expense of any special test shall be borne by the party requesting it if the measuring equipment is found to be in error by not more than 2%.

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed receipts or deliveries is not more than 2%, then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of testing to record correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds 2%, at a recording corresponding to the average hourly rate, of gas flow rate for the period since the last preceding test; the previous recordings of such equipment shall be corrected to zero error for any period that

is known definitely or agreed upon, but in case the period is not known definitely, or agreed upon, the correction shall be for the period extending over one-half of the time elapsed since the date of the last test.

6.7.5 Correction Methods.

In the event any measuring equipment is out of service, or is found registering inaccurately, previous recordings of receipts or deliveries through such equipment shall be corrected using the following procedures:

- (a) by using the registration of any check meter or meters, if installed and accurately registering, or in the absence of (a);
- (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
- (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.
- (d) These corrections, or any other measurement or data corrections should be processed within 6 months of the production month with a 3 month rebuttal period. 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.

6.7.6 New Methods of Measurement.

If at any time during the term of service a new method or technique is developed with respect to gas measurement or the determination of the factors used in gas measurement, the new method or technique may be substituted upon mutual agreement by both parties.

6.7.7 Preservation of Records.

The parties agree to preserve for a period of at least three (3) Years or such longer periods as may be required by public authority, all test data, charts and other similar records.

6.8 QUALITY

1. Heating Value. Gas delivered by Shipper to Transporter at each point of receipt shall have a heating value not greater than 1069 BTUs per cubic foot nor less than 967 BTUs. Transporter shall have the right to waive such Btu content limits if, in Transporter's sole opinion, Transporter is able to accept gas with a Btu content outside such limits without affecting Transporter's operations. The heating value shall be determined at intervals of not more than thirty (30) Days by means of an instrument(s) of standard manufacture accepted in the industry for this purpose or using a sample of gas representative of the gas stream that is being delivered to Transporter or received from Transporter at the point(s) of receipt or delivery.

In the event, however, that the heating value of Gas received by Transporter at any point drops below 1013 Btu, which is the Btu level at which the MDQs of Service Agreements are currently based and Transporter is unable to Transport a Shipper's Scheduled Daily Delivery due to the drop in the Btu level, Transporter shall utilize the Curtailment provision of Section 6.11.4 of the General Terms and Conditions, but only for those Shippers from whom Transporter receives Gas at that point.

For the purpose of calculating receipts and deliveries, the heating value of the gas so determined at each such point shall be deemed to remain constant at such point until the next determination.

2. Freedom from Objectionable Odor and Matter

The gas received and delivered hereunder:

- (a) shall be commercially free (at prevailing pressure and temperature) from objectionable odors, dust, or other solid or liquid matter that might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Transporter;
- (b) shall not contain more than one quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet of gas;
- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of gas;
- (d) shall not at any time have an oxygen content in excess of one percent (1%) by volume and the parties shall make every reasonable effort to keep the gas free of oxygen;
- (e) shall not contain as nearly as practicable any free water nor contain more than

four (4) pounds of water vapor per million cubic feet of gas;

- (f) shall not contain more than two percent (2%) by volume of carbon dioxide;
 - (g) shall be at a temperature not in excess of one hundred twenty degrees (120°) Fahrenheit or less than twenty degrees (20°) Fahrenheit; and
 - (h) shall not contain more than three percent (3%) by volume of nitrogen.
3. Failure to Meet Specifications. Should any gas tendered for delivery by Shipper fail at any time to conform to any of the specifications of this section, Transporter shall notify Shipper of the failure and Transporter may suspend all or a portion of the receipt of any such gas if it will jeopardize operation of Transporter's system or will cause Transporter to suffer an economic loss; and Transporter shall be relieved of all obligations for the duration of such time as the gas does not meet the specifications; provided however that Transporter shall have the right to waive the specifications set forth in this section if, in Transporter's sole opinion, Transporter is able to accept such non-conforming gas without adversely affecting Transporter's operations.
4. Commingling. It is recognized that gas delivered by Shipper will be commingled with other gas transported by Transporter. Accordingly, the gas of Shipper shall be subject to such changes in heat content as may result from such commingling and Transporter shall, notwithstanding any other provision in this FERC Gas Tariff, Third Revised Volume No. 1, herein, be under no obligation to redeliver for Shipper's account, gas of a heat content identical to that caused to be delivered by Shipper to Transporter.

6.9 BILLING AND PAYMENT

6.9.1 Billing.

On or before the ninth (9th) Business Day of each Month, Transporter shall e-mail to Shipper a notification that the statement of the amount due for the preceding Month under Transporter's applicable rate schedule(s) is available for viewing on Transporter's Internet Website. In computing amounts due, Transporter may utilize estimates of the quantity of gas received from or delivered to Shipper during a Month in place of actual quantities when actual quantities are not reasonably available; provided, however, that adjustments shall be made as soon as is reasonably possible for differences between estimated and actual quantities. Any additional invoice backup shall accompany or precede the invoice.

When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish that information to Transporter on or before the second (2nd) Business Day of the Month following the Month of delivery.

6.9.2 Examination of Records.

Both Transporter and Shipper have the right to examine, at reasonable times, books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

6.9.3 Payment.

Shipper shall pay Transporter on or before the tenth (10th) day subsequent to receipt of the Section 6.9.1 e-mail notification. If the day that a payment is otherwise due and payable falls on a non-banking day (such as Saturday, Sunday or a legal holiday), the payment shall become due and payable on the closest banking day that succeeds such day. All payments by Shipper to Transporter shall be made in United States dollars by electronic transfer directed to a bank account designated by Transporter, or in such other manner as may from time to time be agreed upon.

Shipper should submit supporting documentation with payment and also identify invoice number(s) on all payments. Transporter will apply payment per supporting documentation provided by the Shipper and if payment differs from invoiced amount, remittance detail should be provided with the payment, except when payment is made by electronic funds transfer, in which case the remittance detail is due within two business days of the payment due date.

6.9.4 Failure to Pay.

Should Shipper fail to pay all of the amount of any statement as herein provided when that amount is due, interest on the unpaid portion of the bill shall accrue at the rate set forth in Section 154.501 of the Commission's Regulations, from the due date until the date of payment. Transporter may, on a not unduly discriminatory basis, exercise its right to waive accrual of interest on any unpaid portion. Transporter shall have the right, pursuant to Section 6.26.2(E) of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, to suspend or terminate service to Shipper in addition to any other remedy Transporter may have hereunder. However, if Shipper, in good faith, disputes the amount of any bill or part thereof and: (i) promptly pays to Transporter the undisputed amount, and (ii) furnishes to Transporter a good and sufficient surety bond in an amount, and with surety satisfactory to Transporter, or provides other assurance acceptable to Transporter guaranteeing payment to Transporter of the amount ultimately found due upon the bill after a final determination that may be reached either by agreement or by judgment of the courts, as may be the case, then Transporter shall not be entitled to automatically suspend service under the Agreement unless and until default be made in the conditions of the bond or other assurance. If: (i) it is determined that Transporter is incorrect and also at fault with regard to the billing dispute and (ii) the Shipper has furnished a surety bond to avoid the suspension of service under the Agreement, then Transporter shall reimburse Shipper up to the reasonable and customary cost of the surety bond provided.

6.9.5 Adjustment of Billing Errors.

Subject to the provisions of Section 6.7.5, if it shall be found that at any time or times Shipper has been overcharged or undercharged in any form and Shipper shall have actually paid the bills containing the overcharge or undercharge, then within thirty (30) days after the final determination thereof, either Transporter shall refund the amount of any overcharge or Shipper shall pay the amount of any such undercharge. If an error is discovered in the amount billed in any statement rendered by Transporter, the error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall be made within thirty (30) days from the date of discovery of such error, but in any event within six (6) months from the date of such statement (the initial transportation invoice) with a three (3) month rebuttal period. The six (6) month limitation shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Notwithstanding the foregoing, parties' other statutory or contractual rights shall not otherwise be diminished by the procedures described in this section. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. If the parties are unable to agree on the adjustment of any claimed error, then any legal proceedings shall be commenced by either of the parties within fifteen (15) months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred. Transporter shall retain billing records for no less than three (3) years.

6.9.6 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(s) upstream or downstream of Transporter's system to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, to provide service to Shipper, use service which Transporter has contracted for with third party(s) for the benefit of Shipper, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay such third party(s), 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.

6.9.7 Prepayment of Reservation Fees.

Transporter may, from time to time in a manner not unduly discriminatory, agree to accept a Shipper's prepayment of its Reservation Fees obligation under an existing or new firm Agreement. The amount of the prepayment shall be equivalent to Shipper's unpaid Reservation Fees obligation for the remainder of the term of an existing firm Agreement or the entire term of a new firm Agreement, as applicable. A prepayment received by Transporter or an offer of a prepayment to be made under this section will not be used in the determination of the net present value of a bid during Transporter's evaluation process to award capacity.

The prepayment shall be credited to Shipper's Agreement under the ordinary course of Transporter's billing process. Shipper shall not be allowed to withdraw all or part of its prepayment.

Neither this provision nor any solicitation or negotiation by Transporter under this provision shall obligate Transporter to accept any request for prepayment.

A Shipper's Reservation Fees will be subject to adjustments when Transporter's recourse rates are changed pursuant to NGA section 4 or 5 during the period for which Shipper has prepaid for service and Shipper shall understand that any prepayment does not absolve it of such future adjustments to the recourse rates. For capacity release and posting requirements, the rate to be charged will be the rate specified in the applicable firm Agreement.

Prepayment of a Reservation Fees obligation received by Transporter under this section shall not qualify as either a cash security deposit under Section 6.26.2(A) or a prepayment under Section 6.26.2(B) of these General Terms and Conditions for purposes of creditworthiness, nor shall a cash security deposit under Section 6.26.2(A) or a prepayment under Section 6.26.2(B) of these General Terms and Conditions for purposes of creditworthiness be considered as a prepayment of a Reservation Fees obligation under this section.

6.10 FORCE MAJEURE, REMEDIES, AND RESERVATION CHARGE CREDITS

1. Force Majeure.

Neither Shipper nor Transporter shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of: any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freezeups, decline in the Btu level of Gas received by Transporter at any point below the level at which the MDQs of Service Agreements are based, as specifically stated in Section 6.8 paragraph 1 of the General Terms and Conditions, to the effect that Transporter cannot Transport Shipper's Scheduled Daily Delivery, and any other cause, whether of the kind herein enumerated or otherwise, including legislative, administrative or judicial action which has been resisted in good faith by all legal means, all of which are not reasonably expected and within the control of the party invoking this section, and whether caused or occasioned by or happening on account of the act or omission of one of the parties hereto or some person or concern not a party hereto, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

2. Remedies.

Such causes or contingencies affecting the performance of the Agreement by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting the performance of this Agreement relieve either party from its obligation to make payments of amounts then due thereunder, nor shall such cause or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence relied on.

3. Reservation Charge Credits.

(a) Firm Daily Volume

As used in this Section 6.10, Firm Daily Volume Shall mean the volume of gas which Transporter 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.

(b) Force Majeure Event

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, Transporter is unable to delivery 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 Transporter 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 Transporter 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.

However, if Transporter's inability to deliver Shipper's Scheduled Daily Delivery is due to the heat content of Gas received by Transporter being below the Btu level at which Shipper's MDQs are based, as specifically stated in Section 6.8 paragraph 1 of the General Terms and Conditions, the reservation fee shall not be reduced by any amount.

Additionally, if Transporter's inability to deliver Shipper's Firm Daily Volume occurs on a Gas Day when service was unavailable pursuant to the terms of Transporter's Rate Schedule LFT, the reservation charges shall not be reduced by any amount.

(c) PHMSA

For a two-year transitional period beginning March 3, 2014, reservation charge credits associated with outages that are required to comply with orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Section 60139(c) of Title 49 of the United States Code, Chapter 601, shall be calculated in accordance with paragraph b above. Notices of outages pursuant to this section shall identify the specific PHMSA order of requirement with which Transporter is complying.

(d) Non-Force Majeure Event

Expect as for provided for in paragraphs b and c above, in the event Transporter fails to delivery 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 Transporter within Shipper's Firm Daily

Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

However, if Transporter's inability to deliver Shipper's Firm Daily Volume occurs on a Gas Day when service was unavailable pursuant to the terms of Transporter's Rate Schedule LFT, the reservation fees shall not be reduced by any amount.

(e) Confirmable Nominations

Any exemption from crediting for nominated amounts not confirmed, as provided in Section 6.10, paragraphs b, c, and d above, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by Transporter.

6.11 PRIORITIES AND REDUCTIONS

6.11.1 Priorities.

1. Subject to the provisions of Section 6.11.1 below, Transporter will schedule nominated services as of each nominating cycle in accordance with the following procedures:

Firm service shall have the highest priority on Transporter's system. From time to time, Transporter may not have sufficient capacity to accommodate all nominations for Transportation Service through a given path of its pipeline, receipt point, or delivery point. In that event, Transporter shall schedule nominated services according to Section 6.11.1 paragraphs 2 and 3 below.

For purposes of allocating capacity on Transporter's system, Shippers shall be divided into priority groups as follows:

- (a) Category A - Firm Transportation Service Shippers within their respective Transportation Paths as defined in Section 6.5.1, paragraph 5, pursuant to an Agreement under Transporter's FERC Gas Tariff, Third Revised Volume No. 1, or Original Volume No. 2.
 - (b) Category B - Firm Transportation Service Shippers outside of their respective Transportation Paths as defined in Section 6.5.1, paragraph 5, pursuant to an Agreement under Transporter's FERC Gas Tariff, Third Revised Volume No. 1, or Original Volume No. 2.
 - (c) Category C - Interruptible Transportation Service Shippers with Agreements under Transporter's FERC Gas Tariff, Third Revised Volume No. 1, or Original Volume No. 2.
2. Transporter shall schedule nominated services by path as follows:
 - (a) First, to Category A Shippers to satisfy their nominations, and pro rata based on Category A Shipper nominations, if required;
 - (b) Second, to Category B Shippers to satisfy their nominations, and pro rata based on Category B Shipper nominations, if required; and
 - (c) Third, to Category C Shippers on the basis of Confirmed Price, provided that in the event Category C Shippers have nominated at an equivalent Confirmed Price, then pro rata based on those Shippers' nominations, if required.
 3. Transporter shall schedule nominated services at Receipt and Delivery Points as follows:

In the event that there is insufficient capacity at a point to accommodate all nominations, the available capacity at the point will be allocated as follows:

- (a) First, to nominations at Primary Receipt Points or Primary Delivery Points as defined in Section 6.5.1, paragraphs 1 and 3, pro rata based on Shipper nominations within this group;
- (b) Second, to nominations at Secondary Receipt Points or Secondary Delivery Points as defined in Section 6.5.1, paragraphs 2 and 4, pro rata based on Shipper nominations within this group; and
- (c) Third, to interruptible (Category C Shipper) nominations on the basis of Confirmed Price, provided that in the event of an equal Confirmed Price, the capacity will be allocated pro rata based on the nominations of those Shippers with an equivalent Confirmed Price.

6.11.2 Bumping Provisions.

Transportation Service provided to any Shipper may not be interrupted to provide increased Transportation Service to another Shipper during the Intraday 3 and Last Intraday Nomination Cycles as defined in Section 6.3.2 of the General Terms and Conditions of this FERC Gas Tariff. During the Timely, Evening, Intraday 1, and Intraday 2 Nomination Cycles as defined in Section 6.3.2:

- 1) a Category A or Category B Shipper may nominate quantities up to that Shipper's MDQ and the scheduling shall interrupt already scheduled Transportation Service of Category C Shippers, but shall not interrupt already scheduled Transportation Service of other Category A or Category B Shippers, or
- 2) a Shipper utilizing Primary Receipt or Delivery Points, or Secondary Receipt or Delivery Points, as defined in Section 6.5.1 of the General Terms and Conditions of this FERC Gas Tariff, may nominate quantities up to that Shipper's MDQ and the scheduling shall interrupt already scheduled Transportation Service of Category C Shippers, but shall not interrupt already scheduled Transportation Service of other Shippers utilizing Primary or Secondary Receipt or Delivery Points, or
- 3) a Category C Shipper may nominate quantities and the scheduling shall interrupt already scheduled Transportation Service of other Category C Shippers if the Confirmed Price for the nominated quantities is higher than for the already scheduled Transportation Service.

Transporter shall provide notification of intraday bumps to each affected Shipper through such Shipper's choice of Electronic Notice Delivery Mechanism(s). Unless Shipper and Transporter have agreed to exclusive notification via EDI/EDM, Shipper shall provide Transporter with at least one, but no more than two, e-mail address(es) to be used for Electronic Notice Delivery. In this instance, unless and until Shipper provides Transporter with at least one e-mail address, Transporter shall not be obligated to provide Shipper with notification of intraday bumps through Electronic Notice Delivery. Under such circumstances, Transporter shall provide notice by telephone.

When a capacity constraint occurs due to force majeure or other operating condition on the Transporter's system that reduces the available capacity on the system, Shippers will be reallocated capacity as determined by the priorities within this Section 6.11. The Shipper can continue to maintain its priority for capacity at the constrained point(s) by continuing to maintain its nomination. As the constrained capacity comes back on the system, Shippers will be reinstated as determined by the aforementioned priorities.

For the purpose of this Section 6.11, any Shipper paying a Confirmed Price above the maximum rate shall be deemed to be paying the maximum applicable rate.

6.11.3 Reserved for Future Use.

6.11.4 Curtailment.

In the event that capacity on the Transporter's system or at receipt points or at delivery points must be curtailed, the curtailment shall occur in the inverse order to the allocation of that capacity pursuant to this Section 6.11; except that within Category A Shippers and Category B Shippers and for point capacity utilizing Primary and Secondary Points under Section 6.11.1, capacity will be curtailed equally pro-rata based upon scheduled quantities.

6.12 COMPLIANCE PLAN FOR SERVICES AND COMPLAINTS

1. Service Requests.

Shippers may submit a valid request for service through Transporter's Internet Website.

2. Complaints.

Transporter uses the following procedures to address and to resolve complaints by Shippers and potential Shippers.

(a) Informal Complaints.

Transporter urges Shippers to first discuss matters of concern with Transporter on an informal basis before submitting a formal complaint to the company. Transporter will respond promptly and will endeavor to resolve those issues concerning existing or requested Service on a timely basis.

(b) Formal Complaints.

A Shipper may submit a formal complaint as follows:

- (i) The complaint shall be in writing.
- (ii) The complaint shall state that it constitutes a complaint pursuant to these tariff provisions.
- (iii) The complaint shall state with specificity the nature of the complaint, the actions or procedures of Transporter that gave rise to the complaint, and the remedy sought by the Shipper.
- (iv) The complaint shall be addressed and mailed to Transporter's Chief Compliance Officer (CCO). The CCO's appropriate contact information is available via Transporter's Internet Website.

If the complaint does not conform with the above provisions, then Transporter may deem the complaint invalid and return it to the Shipper.

- (c) Transporter shall respond within forty-eight (48) hours to any complaint filed pursuant to Section 6.12 paragraph 2(b) above. The response shall advise the Shipper of the status of the complaint. Within thirty (30) Days of the date of receipt of the complaint, Transporter shall respond in writing to the Shipper, stating the disposition of the complaint.

- (d) This section shall not limit any party's rights under the Commission's rules and regulations.

6.13 MISCELLANEOUS

6.13.1 Possession of Gas.

As between the parties hereto, Shipper shall be deemed to be in control and possession of the gas deliverable hereunder until it shall have been delivered to Transporter. Transporter shall be deemed to be in control and possession of the gas transported hereunder from the time of delivery of such gas into its facilities by Shipper until such gas is delivered to Shipper. Transporter shall not be responsible for any gas prior to its delivery into Transporter's system, or after its delivery from Transporter's system.

6.13.2 Warranty of Title to Gas.

Shipper warrants that it will at the time of delivery to Transporter have good title or good right to all gas caused to be delivered to Transporter hereunder, free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees, or charges thereon. Shipper agrees that as to the gas it causes to be delivered to Transporter hereunder, Transporter shall be entitled to all of the protection provided by the warranty of title or the rights to gas set forth in the contracts under which such gas was purchased.

Transporter will not suffer or permit any lien or encumbrance to be placed on or against the gas deliverable under this FERC Gas Tariff, Third Revised Volume No. 1, with respect to any claim against Transporter and will indemnify and save harmless Shipper from and against any such liens, encumbrances or claims, including Shipper's costs of disputing such liens, encumbrances or claims or defending any actions with respect thereto.

It is not the intent of this Section 6.13.2 to allow brokering of capacity on Transporter's pipeline system. In particular, the language "good right" means that although Shipper does not have title to all gas to be delivered to Transporter, Shipper does have good right to the gas delivered under contractual arrangements.

6.13.3 Waivers.

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of the FERC Gas Tariff, Third Revised Volume No. 1, shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or a different character.

Transporter may waive any rights hereunder or any obligations of Shipper applicable to any specific default that has already occurred, or case-by-case in advance of any specific, temporary operational problem, on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

6.13.4 Transfer and Assignments.

Any Company which shall succeed by purchase, merger, or consolidation to the properties substantially as an entirety, of Shipper or of Transporter, as the case may be, shall be entitled to the right and shall be subject to the obligations of its predecessor in title under this agreement. Except as provided above, and in Sections 6.14 and 6.15 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, no assignment of the Agreement or any of its rights or obligations thereunder shall be made by Shipper or Transporter without the written consent, which shall not be unreasonably withheld, of the other party first obtained. It is agreed, however, that the provisions of this Section 6.13.4 shall not in any way prevent either party under the Agreement from pledging or mortgaging its rights as security for its indebtedness. Shipper hereby consents to such pledging or mortgaging of this Agreement by Transporter. The Agreement shall be binding upon and shall inure to the benefits of the respective successors and assigns of the parties thereto.

6.13.5 Regulations.

Any Agreement and the respective obligations of the parties thereunder and all terms and conditions of this FERC Gas Tariff, Third Revised Volume No. 1, herein are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction. In the event of a material change in the underlying rules, orders or regulations pursuant to which Transporter provides Transportation Service to Shipper in accordance with this FERC Gas Tariff, Third Revised Volume No. 1, Transporter may, subject to the receipt of any requisite regulatory authority and upon thirty (30) Days prior written notice to Shipper, unilaterally and without liability, suspend, discontinue and/or terminate services hereunder.

6.13.6 Headings.

The headings contained in any Agreement and in this FERC Gas Tariff, Third Revised Volume No. 1, are for reference purposes only and shall not affect the meaning or interpretation of such Agreement or Tariff.

6.13.7 Continuance of Existing Tariff.

Nothing in this FERC Gas Tariff, Third Revised Volume No. 1, shall interfere with or impair the lawful terms and conditions for service authorized and rendered pursuant to Rate Schedules in Transporter's FERC Gas Tariff, Original Volume No. 2.

6.13.8 Limitation of Liability.

Except as otherwise provided herein, neither Transporter nor Shipper shall be liable in damages, whether direct, indirect, consequential or otherwise, other than for acts of gross negligence, undue discrimination or willful misconduct and then only to the extent that Force Majeure does not apply, provided that nothing herein shall limit Transporter's or Shipper's liability, if any, for direct damages resulting from its own negligence.

6.14 RESERVATION OF CAPACITY FOR FUTURE EXPANSION PROJECTS

Transporter may elect to reserve for a future expansion project any unsubscribed firm capacity or capacity under expiring or terminating firm transportation agreements where such agreements do not carry a right of first refusal or where Shipper does not exercise its right of first refusal. Transporter may only reserve capacity for a future expansion project for which an open season for the expansion 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 (1) year prior to Transporter filing for certificate approval for the proposed expansion, and thereafter until such expansion is placed into service.

Capacity reserved under this section will be made available for transportation service on a limited-term basis up to the in-service date of the expansion project. For such limited-term service agreements, Transporter reserves the right to limit any Shipper extension rights, including the right of first refusal, within the service agreement. The availability of limited-term capacity, including any limitations on the extension rights of such capacity, will be posted on Transporter's Internet Website.

Prior to reserving capacity for a future expansion project under this section, Transporter must first make such capacity generally available to any Shipper or potential Shipper by posting such capacity for bidding through an open season for a time period of at least five (5) business days, pursuant to Section 6.2.1(g) of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1. Capacity that remains available after the five (5) business day posting may be reserved by Transporter by means of a posting on Transporter's Internet Website that shall include:

- (a) a description of the proposed expansion project for which the capacity will be reserved;
- (b) the total quantity of capacity to be reserved;
- (c) the location of the reserved capacity on Transporter's system;
- (d) the anticipated timing of an open season for the reserved capacity in connection with the proposed expansion project;
- (e) the projected in-service date of the proposed expansion project; and
- (f) on an on-going basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal.

Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the project to reflect any material changes in the scope of the project.

Transporter shall make a non-binding solicitation for turnback capacity from Transporter's existing Shippers to serve the expansion project. Transporter shall post a non-binding solicitation for turnback capacity on Transporter's Internet Website no later than ninety (90) days after the close of the 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 thirty (30) days of the date the capacity becomes available.

6.15 FIRM CAPACITY RELEASE PROGRAM

6.15.1 Definitions. For purposes of this Section 6.15, the following terms shall have the meanings indicated:

- (A) "Releasing Shipper" shall mean Shippers with Agreements under Transporter's FERC Gas Tariff, Third Revised Volume No. 1, Rate Schedule FT for firm Transportation Service or Rate Schedule EFT for expedited firm Transportation Service or Rate Schedule LFT for limited firm Transportation Service including Replacement Shippers that obtained Rate Schedule FT or Rate Schedule EFT or Rate Schedule LFT service through this Section 6.15.
- (B) "Replacement Shipper" shall mean a Shipper who receives an assignment of all (or a part) of the firm, expedited firm, or limited firm capacity rights of a Releasing Shipper by entering into an Agreement with Transporter under Transporter's FERC Gas Tariff, Third Revised Volume No. 1, Rate Schedule FT for the firm capacity rights, or Rate Schedule EFT for the expedited capacity rights, or Rate Schedule LFT for the limited firm capacity rights so released by a Releasing Shipper.
- (C) "Rate Schedule FT" shall mean Rate Schedule FT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.
- (D) "Rate Schedule EFT" shall mean Rate Schedule EFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.
- (E) "Rate Schedule LFT" shall mean Rate Schedule LFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.
- (F) "Capacity" shall mean firm, expedited firm, or limited firm capacity rights on Transporter's system pursuant to Agreements under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, respectively, of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, if applicable, which shall attach to the underlying firm service pro-rata based upon MDQ.
- (G) "Elapsed Prorata Capacity" shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

6.15.2 General. Capacity may be released and assigned by a Releasing Shipper only under this Section 6.15. Brokering or any other use of Transportation capacity by a person other than a Shipper is expressly prohibited.

6.15.3 Recall and Reput. Capacity that may be released and assigned may be subject to recall and/or reput by the Releasing Shipper.

- (A) Releasing shippers may, to the extent permitted as a condition of the capacity release, recall released capacity by providing notification to Transporter, and Transporter shall provide notification of such recall to all affected Replacement Shippers, by the following times (all times are C.C.T. on the date that nominations are due for that nomination type):

Nomination Type	Recall Notification Period	Recall Notification to Transporter	Recall Notification to Replacement Shippers
Timely	Timely	8:00 a.m.	9:00 a.m.
Evening	Early Evening	3:00 p.m.	4:00 p.m.
Evening	Evening	5:00 p.m.	6:00 p.m.
Intraday 1	Intraday 1	7:00 a.m.	8:00 a.m.
Intraday 2	Intraday 2	12:00 Noon	1:00 p.m.
Intraday 3	Intraday 3	4:00 p.m.	5:00 p.m.

Recall notification to Transporter shall set forth the commencement date and the Elapsed Prorata Capacity of the recall and shall be posted on Transporter’s Internet Website.

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

Transporter shall send e-mail notification of recalls of capacity to each affected Replacement Shipper. The obligation of Transporter to provide e-mail notification to an affected Replacement Shipper is waived until at least one e-mail address is provided by the Replacement Shipper.

- (B) If so provided for in the capacity release notice, Releasing Shipper shall have the right to reput any capacity previously recalled. Reput methods and rights shall be individually negotiated between the Releasing Shipper and the Replacement Shipper. Such reput methods and rights shall be included in the capacity release notice.
- (C) Transporter must be notified of a reput of gas by 8:00 a.m. to allow for timely nominations to flow on the next Gas Day.

- (D) There shall be no partial day reput of released capacity.
- (E) Capacity that has been recalled may not be reput for the same Gas Day.
- (F) Transporter shall be entitled to rely upon Releasing Shipper's notice regarding a recall or reput and shall incur no liability to Replacement Shipper or to Releasing Shipper when acting in accordance with a recall or reput notification.
- (G) In the event that Transporter notifies the Shipper of a default with respect to any obligations owed by the Replacement Shipper to the Transporter, Releasing Shipper may terminate the assignment upon twenty-four (24) hours notice.

6.15.4 Capacity Rights.

- (A) Capacity that may be released and assigned under this Section 6.15 may not be greater than the capacity rights under Releasing Shipper's Transportation Service Agreement with the Transporter.
- (B) The capacity may be segmented to more than one Replacement Shipper and the Releasing Shipper may maintain a portion of its MDQ and/or a geographic segment of its capacity. The aggregate MDQ in any segment of the transportation Path as defined in Section 6.5 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, shall not exceed the service entitlement of the underlying Agreement. Segmentation may occur at any point on Transporter's System whether a physical or a virtual point.
- (C) For releases of limited firm capacity rights under Transporter's Rate Schedule LFT, the Replacement Shipper shall be subject to the same number of Unavailable Days that the Releasing Shipper has remaining at the time of the release regardless of the term of the release.
- (D) In the event that a Releasing Shipper releases a geographic segment of its capacity, Transporter shall allow both the Releasing and the Replacement Shipper to select additional primary points within the zone(s) for which they are paying, as long as primary capacity is available at those points, so that each Shipper has a Transportation Path bounded by a primary receipt and a primary delivery point. Selection of such points is subject to the metering capabilities at the point or any other operational conditions.
- (E) Subject to the provisions of Sections 6.5.3 and 6.5.5 of the General Terms and Conditions, and provided that Releasing Shipper expressly permitted such in its offer of release, a Replacement Shipper may request to permanently remove, add or adjust the maximum daily quantity at any Primary Receipt and/or Delivery Point within the zone(s) for which the Replacement Shipper is paying (Primary Point Adjustment). Transporter will inform Releasing Shipper of any such permanent Primary Point Adjustment(s).
- (F) Where a Releasing Shipper releases only a geographic segment of its capacity while retaining a geographic segment for its own use, nominations to a point outside the released segment by the Replacement Shipper and within the released segment by the Releasing Shipper shall be permitted. However, in no portion of Transporter's system will the total quantity of gas scheduled for both the Releasing and the Replacement Shipper exceed the Releasing Shipper's original MDQ for that portion of Transporter's system. If the total nominations of the Releasing and the Replacement Shipper in only the released segment exceed the original MDQ, scheduling priority shall be given to the Replacement Shipper. If the total

nominations of the Releasing and the Replacement Shipper only outside the released segment exceed the original MDQ, scheduling priority shall be given to the Releasing Shipper. If the total nominations of the Releasing and the Replacement Shipper both in the released segment and outside the released segment exceed the original MDQ, the capacity shall be allocated pro rata based on the Releasing and Replacement Shipper's nominated quantities.

Releasing Shipper may, however, provide for a different priority scheme in its offer of release.

- (G) For releases of expedited firm capacity rights under Transporter's Rate Schedule EFT, any such released capacity shall be subject to the terms and conditions of Rate Schedule EFT.

6.15.5 Term. The term for which Capacity may be released and assigned under this Section 6.15 may not be greater than the remaining primary term of Releasing Shipper's Transportation Service Agreement with the Transporter.

6.15.6 Rate.

- (A) The Releasing Shipper shall have the following options for the rate at which it releases Capacity:
- (1) The rate can either be a monthly Reservation Fee or a daily volumetric rate; and
 - (2) The rate can either be denominated in dollars and cents or as a percentage of the maximum tariff rate for non-index based releases, or an index-based formula as detailed in the capacity release offer.
- (B) The Reservation Fee, volumetric rate, percentage of the maximum tariff rate or index-based rate for Capacity released and assigned under this Section 6.15 may not be less than the Reservation Fee, volumetric rate, or percentage set forth in the Releasing Shipper's notice regarding the release under Section 6.15.14(A)(9), if any, nor greater than the maximum Reservation Fee or volumetric rate for the service being released as set forth in Transporter's FERC Gas Tariff in Sections 4.1 and 4.2 to this Third Revised Volume No. 1.
- However, if the release is for a term of one (1) year or less and is to take effect on or before one (1) year from the date on which Transporter is notified of the release, the Reservation Fee, volumetric rate, percentage of the maximum tariff rate or index-based rate for capacity released and assigned may exceed the maximum Reservation Fee or volumetric rate for the service being released.
- Payments or other consideration exchanged between the Releasing Shipper and Replacement Shipper in a release to an Asset Manager as described in Section 6.15.13(A)(3) are not subject to the maximum rate.
- (C) For offers, bids, and awards, rates stated on a Reservation Fee basis shall use three (3) decimal places, rates stated on a volumetric basis shall use five (5) decimal places, and rates stated as a percentage of the tariff maximum shall be limited to whole percentages; fractions of percentages shall not be acceptable. These requirements are also applicable for stating index-based rates.
- (D) In the event that the Capacity to be released is subject to a Negotiated Rate, as provided under Section 5.1.4.4 of Rate Schedule FT, or Section 5.2.4.4 of Rate Schedule EFT, or Section 5.3.4.4 of Rate Schedule LFT, the rate at which the Capacity may be released shall be capped at the maximum applicable tariff rate for all purposes except the obligation of the Releasing Shipper to pay Transporter the difference between the rate paid by a Replacement Shipper and the Negotiated Rate.

However, if the release is for a term of one (1) year or less and is to take effect on or before one (1) year from the date on which Transporter is notified of the release, the

rate at which capacity subject to a Negotiated Rate may be released shall not be capped at the maximum applicable tariff rate.

6.15.7 Default by Replacement Shipper. In the event that the Replacement Shipper defaults with respect to any obligation owed to the Transporter, Transporter shall promptly notify Releasing Shipper of the default. Transporter may seek performance directly from Replacement Shipper with respect to any obligations owed by it to Transporter. After Transporter has made a reasonable effort to seek performance from any such Replacement Shipper for any obligations owed by it to Transporter under any Rate Schedule FT, EFT, or LFT Agreement, Transporter may seek performance of Reservation Fee (or Volumetric Rate in the case of a Volumetric Rate Release) obligations from a Releasing Shipper.

6.15.8 Marketing Fee. Transporter may receive a marketing fee to be negotiated between Transporter and Releasing Shipper if Releasing Shipper requests Transporter to actively market the Capacity. This fee shall be billed separately to Releasing Shipper.

6.15.9 Rate Refund. In the event a rate refund is ordered covering any portion of a time period in which a release and assignment under this Section 6.15 was in effect, then such refund will be made to the Releasing Shipper to the extent of any amounts paid by the Releasing Shipper to the Transporter for the period (exclusive of fees under Section 6.15.8.) Any remaining refund shall be paid to the Replacement Shipper. Other arrangements with respect to rate refunds shall be allowed if specifically stated as a condition of the release pursuant to Sections 6.15.13(B) and 6.15.14(A).

6.15.10 Replacement Shipper Requirements.

Unless otherwise superseded by this Section 6.15, a Replacement Shipper shall meet all requirements of Transporter's Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, as appropriate, which requirements must be met prior to the commencement of Transportation Service. Notwithstanding any provision of Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, the Replacement Shipper's rights under the release and assignment shall not be superior to those of the Releasing Shipper.

A Replacement Shipper must demonstrate creditworthiness prior to Transporter's acceptance of a bid. Prospective bidders are encouraged to demonstrate creditworthiness prior to submitting a bid for capacity. Upon request from a prospective bidder, Transporter will evaluate the prospective bidder's creditworthiness in accordance with the provisions of Section 6.26 and advise the prospective bidder of its determination. The provisions of Section 6.26 shall continue to remain applicable to pre-qualified prospective bidders.

6.15.11 Releasing Shipper Obligations.

A release and assignment under this Section 6.15 shall not release Releasing Shipper from any of the obligations of its Transportation Service Agreement with Transporter, which shall remain in full force and effect and unmodified as if the release and assignment and the related Replacement Shipper's Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT service agreement had never been entered into, except:

- (A) Releasing Shipper shall not be entitled to any of the capacity rights under its Transportation Service Agreement that are released by it for the period of the release and assignment. Recall or reput rights retained by the Releasing Shipper pursuant to Sections 6.15.13(B)(4), 6.15.13(B)(5), 6.15.14(A)(4) and 6.15.14(A)(5) are not considered to be rights released by the Releasing Shipper, and
- (B) Transporter shall bill Releasing Shipper for all amounts due to Transporter from Releasing Shipper under its Transportation Service Agreement. Transporter shall provide the Releasing Shipper with a concurrent credit on this bill equal to any Reservation Fees billed to the related Replacement Shipper(s) by Transporter for the released Capacity. Fees billable under Section 6.15.8 shall be billed separately.
- (C) Payments made by a Replacement Shipper shall be applied first to any Reservation Fees incurred by the Replacement Shipper under its Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT Agreement and next to any Utilization Fees incurred by the Replacement Shipper under its Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT Agreement. The calculations in Section 6.15.11(B) above shall be revised to reflect the actual payments made by the Replacement Shipper.
- (D) Transporter and a Releasing Shipper may, in connection with their agreement to a Negotiated Rate under Section 5.1.4.4 of Rate Schedule FT, Section 5.2.4.4 of Rate Schedule EFT, or Section 5.3.4.4 of Rate Schedule LFT, 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 within this Section 6.15.11. Nothing in the foregoing provision, however, shall authorize Transporter or a Shipper to violate the Commission's policy with respect to the negotiation of terms and conditions of service.
- (E) In the event of a permanent Primary Point Adjustment pursuant to Section 6.15.4(E) by a Replacement Shipper under a temporary capacity release transaction, Releasing Shipper's Transportation Service Agreement with Transporter shall be permanently revised to reflect such adjustment.

6.15.12 Permanent Releases. A Shipper may offer to permanently release all or part of its capacity pursuant to the procedures of Sections 6.15.13 or 6.15.14 of this FERC Gas Tariff, Third Revised Volume No. 1. However, a permanent release must be for the entire remaining term of the Releasing Shipper's Transportation Service Agreement and may not utilize a volumetric rate form otherwise permitted under Section 6.15.6. Any potential Replacement Shipper under this Section 6.15.12 must meet the creditworthiness standards stated in Section 6.26 of the General Terms and Conditions. Upon the consent of Transporter and the execution of a Transportation Service Agreement with the Replacement Shipper, Transporter will release Releasing Shipper from all of its obligations arising from service provided pursuant to the Transportation Service Agreement prospectively from the date of permanent assignment. However, Releasing Shipper will remain obligated for any fees, surcharges, or other obligations related to service provided under Releasing Shipper's Transportation Service Agreement prior to the date of its permanent assignment. Transporter may require that the Replacement Shipper agree to a rate and/or term equal to those in the Releasing Shipper's Transportation Service Agreement, or to any other provision in Releasing Shipper's Transportation Service Agreement. Transporter's consent to allow a permanent release shall not be unreasonably withheld, and shall be applied on a non-discriminatory basis.

6.15.13 Pre-arranged Releases Where Bidding is Not Required.

- (A) The bidding procedures of Section 6.15.14 are not required of the pre-arranged capacity release transactions described below, but may be utilized at the election of the Releasing Shipper:
- (1) Pre-arranged capacity release transactions at the maximum tariff rate that are for a term of more than one (1) year.
 - (2) Pre-arranged capacity release transactions for thirty-one (31) days or less.
 - (3) Pre-arranged capacity release transactions to an Asset Manager that contain a condition that the Releasing Shipper may call upon the Replacement Shipper (Asset Manager) to deliver to, or purchase from, the Releasing Shipper a volume of gas up to one-hundred percent (100%) of the daily contract demand of the released transportation capacity, provided that,
 - (i) if the capacity release is for a period of one (1) 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 (5) months (or 155 days) or the term of the release; or
 - (ii) if the capacity release is for a period of more than one (1) year, the Asset Manager's delivery or purchase obligation must apply on any day during a minimum period of five (5) months (or 155 days) of each twelve (12) month period of the release, and on five-twelfths (5/12) of the days of any additional period of the release not equal to twelve (12) months.
 - (4) Pre-arranged capacity release transactions to a marketer participating in a state-regulated retail access program that will be utilized by the Replacement Shipper to provide the gas supply requirement of retail consumers 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 consumers.
- (B) For pre-arranged capacity release transactions under this Section 6.15.13, the Releasing Shipper shall provide the following information to the Transporter either in writing or through Transporter's Customer Activities Website:
- (1) Name and address of Releasing Shipper, including the name, address, telephone number, and e-mail address of the person to be responsible for the release and assignment transaction and the same information for the pre-arranged Replacement Shipper. The Dun & Bradstreet Number of both the Releasing Shipper and the pre-arranged Replacement Shipper must be

provided to Transporter.

- (2) The amount of Releasing Shipper's Capacity to be released and assigned.
- (3) The term of the proposed release and assignment of Releasing Shipper's Capacity, including commencement and termination dates which can be any day of the month. Releasing Shipper shall also indicate whether the capacity release transaction is of a temporary or permanent nature.
- (4) An indication of whether or not the capacity may be recalled by the Releasing Shipper and, if applicable, the objectively stated, non-discriminatory criteria under which the capacity may be recalled. If recallable, the Releasing Shipper shall specify, as a condition of the capacity offer, which of the recall notification periods stated in Section 6.15.3(A) pertain, and whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day.
- (5) An indication of whether or not capacity recalled by the Releasing Shipper may be reput back to the Replacement Shipper and, if applicable, the objectively stated, non-discriminatory criteria under which the capacity recalled by the Releasing Shipper may be reput back to the Replacement Shipper.
- (6) The Primary Receipt Point(s) of the Capacity to be released and assigned by Releasing Shipper.
- (7) The Primary Delivery Point(s) of the Capacity to be released and assigned by Releasing Shipper.
- (8) Transporter's contract identification number.
- (9) Pursuant to Section 6.15.6, the Reservation Fee per Dth or the 100% Volumetric Rate per Dth to be charged to the Replacement Shipper cannot be higher than the maximum rate as set forth in Sections 4.1 and 4.2 of this FERC Gas Tariff, Third Revised Volume No. 1 for the service being released. The rate to be charged may also be stated as a percentage of the maximum tariff rate on either a Reservation Fee or volumetric rate basis, or be based on an index formula.

However, if the release is for a term of one (1) year or less and is to take effect on or before one (1) year from the date on which Transporter is notified of the release, the Reservation Fee per Dth or the 100% Volumetric Rate per Dth may be higher than the maximum rate for the service being released. Further, payments or other consideration exchanged between the Releasing Shipper

and Replacement Shipper in a release to an Asset Manager as described in Section 6.15.13(A)(3) are not subject to the maximum rate.

- (10) An indication of whether or not the offer is stand-alone. If the offer is not stand-alone, the Releasing Shipper must specify the applicable terms and conditions.
 - (11) A minimum volumetric commitment for capacity release transactions where the rate to be charged is in a volumetric form. Releasing Shipper may state the minimum volumetric commitment as either a quantity in Dth or as a percentage of the maximum total quantity that could be transported under the terms of the capacity release transaction. If no minimum volumetric commitment is provided, the minimum shall be deemed to be zero (0).
 - (12) Any other terms and conditions agreed to by the Releasing Shipper and the Replacement Shipper.
 - (13) An indication of whether the pre-arranged capacity release is to an Asset Manager as described in Section 6.15.13(A)(3), and the Asset Manager's obligation as to volumetric level and effective time period(s) to deliver gas to, or purchase gas from, the Releasing Shipper.
 - (14) An indication of whether the pre-arranged capacity release is to a marketer participating in a state-regulated retail access program as described in Section 6.15.13(A)(4).
- (C) If the Releasing Shipper determines to utilize the bidding procedure pursuant to Section 6.15.14 below, then the Releasing Shipper shall comply with the requirements of that subsection in lieu of the requirements of this subsection.
- (D) If all of the information provided pursuant to Section 6.15.13(B) is valid and the Replacement Shipper has been determined creditworthy pursuant to Section 6.26, then, pursuant to Standards 5.3.1 and 5.3.2 of the latest version of the Standards promulgated by the North American Energy Standards Board (NAESB), the following timeline shall apply.
- (1) Pre-arranged capacity release transactions not subject to the bidding requirements of Section 6.15.14 are due no later than one (1) hour prior to the deadline for nominations for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are as follows (all times are C.C.T.):
 - 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.

Transporter may, on a not unduly discriminatory basis, extend this timeline provided that such action does not adversely impact any other shipper(s) on Transporter's pipeline system.

Nominations may be submitted beginning with the next available nomination cycle for the effective date of the contract.

- (2) Transporter shall tender a contract with the contract identification number to the Replacement Shipper within one (1) hour of the award posting.
- (E) Sections 6.15.13(A)(1), 6.15.13(A)(3), and 6.15.13(A)(4) transactions can be rolled-over for subsequent periods without bidding.
- (F) A Releasing Shipper in Section 6.15.13(A)(2) transactions cannot roll over, extend, or in any way continue the release to the same Replacement Shipper utilizing the Section 6.15.13(A)(2) bidding exemption until 28-days after the first release period has ended; provided however that the 28-day hiatus does not apply to any release to the same replacement shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding in Sections 6.15.13(A)(1), 6.15.13(A)(3) and 6.15.13(A)(4).

6.15.14 Procedure For Biddable Capacity Releases.

- (A) Releasing Shipper either shall post on Transporter's Customer Activities Website or provide to Transporter a written notification containing the following information:
- (1) Name and address of Releasing Shipper, including the name, address, telephone number, and e-mail address of the person to be responsible for the release and assignment transaction and if there is a pre-arranged Replacement Shipper, the same information for that Replacement Shipper. The Dun & Bradstreet Number of both the Releasing Shipper and the Replacement Shipper must also be provided to Transporter.
 - (2) The amount of Releasing Shipper's Capacity to be released and assigned, and an indication of whether or not Releasing Shipper will accept bids for less than the full quantity being released. If Releasing Shipper will accept bids for less than the full quantity being released, Releasing Shipper must indicate the minimum acceptable quantity it is willing to accept, and whether or not this minimum acceptable quantity should be displayed in the offer.
 - (3) The term of the proposed release and assignment of Releasing Shipper's Capacity, including commencement and termination dates, which can be any Day of the Month. Releasing Shipper shall also indicate if it will accept bids for less than the full term being offered. If Releasing Shipper will accept bids for less than the full term, Releasing Shipper must indicate the minimum acceptable term it is willing to accept and whether or not this minimum acceptable term should be displayed in the offer. Releasing Shipper shall also indicate whether the capacity release transaction is of a temporary or permanent nature.
 - (4) An indication of whether or not the capacity may be recalled by the Releasing Shipper and, if applicable, the objectively stated, non-discriminatory criteria under which the capacity may be recalled. If recallable, the Releasing Shipper shall specify, as a condition of the capacity offer, which of the recall notification periods stated in Section 6.15.3(A) pertain, and whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day.
 - (5) An indication of whether or not capacity recalled by the Releasing Shipper may be reput back to the Replacement Shipper and, if applicable, the objectively stated, non-discriminatory criteria under which the capacity recalled by the Releasing Shipper may be reput back to the Replacement Shipper.

- (6) The Primary Receipt Point(s) of the Capacity to be released and assigned by Releasing Shipper.
- (7) The Primary Delivery Point(s) of the Capacity to be released and assigned by Releasing Shipper.
- (8) Transporter's contract identification number.
- (9) Pursuant to Section 6.15.6, the Releasing Shipper must indicate whether the rate to be charged is Reservation Fee based or volumetrically based, denominated in dollars and cents or as a percentage of the maximum tariff rate for non-index based releases, or based on an index formula as detailed in the capacity release offer.

The Releasing Shipper must also indicate the minimum Reservation fee per Dth, the minimum volumetric rate, the minimum percentage of the maximum tariff rate, or the Rate Floor for index-based capacity release transactions acceptable to the Releasing Shipper. If no minimum is specified, the minimum will be deemed to be \$0.000per Dth for the Reservation Fee or for the index-based rate, \$0.00000 per Dth for the 100% Volumetric Rate, or no minimum percentage of the maximum tariff rate, as appropriate.

Releasing Shipper shall indicate whether the minimum acceptable Reservation fee per Dth, the minimum acceptable index-based rate, the minimum acceptable volumetric rate, or the minimum acceptable percentage of the maximum tariff rate is to be displayed in the offer.

- (10) Releasing Shipper's selection of one of the methods provided in Section 6.15.14(F)(3) for use in Transporter's determination of the best bid. If no method of evaluation is chosen or provided by the Releasing Shipper, Transporter shall evaluate bids utilizing the net revenue method of Section 6.15.14(F)(3)(b).
- (11) Releasing Shipper's selection of a tie-breaking method which may be by pro rata allocation, or first come, first served, or some other non-discriminatory method.
- (12) The information required under Section 6.15.14(I) for any pre-arranged Replacement Shipper.
- (13) The specific non-discriminatory, objective criteria under which contingent bids would be accepted. Releasing Shipper must specify whether and, if so, for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take

the capacity.

- (14) Subject to the timeline established in Section 6.15.14(B), the date on which the open season is to begin and end if greater than the minimums provided for in the timeline.
 - (15) A minimum volumetric commitment for capacity release transactions where the rate to be charged is on a volumetric basis. Releasing Shipper may state the minimum volumetric basis as either a quantity in Dth or as a percentage of the maximum total quantity that could be transported under the terms of the capacity release transaction. If no minimum volumetric commitment is provided, the minimum shall be deemed to be zero (0).
 - (16) An indication of whether or not the offer is stand-alone. If the offer is not stand-alone, the Releasing Shipper must specify the applicable terms and conditions.
 - (17) Any other objectively stated, non-discriminatory criteria applicable to all bidders related to the release such as, but not limited to: the release being part of an integrated transportation path.
- (B) If all of the information provided pursuant to Section 6.15.14(A) is valid, the Replacement Shipper has been determined to be creditworthy pursuant to Section 6.15.10, the bid evaluation method is consistent with Section 6.15.14(F)(3)(a)-(c), and for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline and there are no special terms or conditions to the release, then, pursuant to Standards 5.3.1 and 5.3.2 of the latest version of the Standards promulgated by the North American Energy Standards Board (NAESB), the following timelines, in C.C.T., shall apply.
- (1) For biddable releases (1 year or less):
 - (a) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (b) Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
 - (c) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (d) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

- (e) 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.
 - (f) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - (g) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (2) For biddable releases (more than 1 year):
- (a) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (b) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
 - (c) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (d) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
 - (e) 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.
 - (f) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - (g) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper.

Offers that do not utilize one of the bid evaluation methods of Section 6.15.14(F)(3)(a)-(c) must be received by Transporter by 8:00 a.m. (C.C.T.) in order to allow Transporter sufficient time to evaluate the bid evaluation method.

Further, Transporter may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Transporter).

- (C) The posting of a notice is an offer by Releasing Shipper to entertain bids on the Capacity proposed to be released and assigned, but is not an offer by Transporter. Offers shall be binding until notice of withdrawal is received by Transporter on Transporter's Customer Activities Website. Such offer may be withdrawn by the Releasing Shipper where unanticipated circumstances justify and no bid meeting the minimum bid criteria set forth by the Releasing Shipper in Section 6.15.14(A) above has been received. After a bid meeting those minimum requirements is received, such offer shall remain open until the priority bidder becomes an FT, EFT, or LFT Shipper pursuant to Section 6.15.14(G) below. Releasing Shipper's Section 6.15.14(A) notice authorizes Transporter to accept bids for the Capacity.
- (D) All bids will be open for viewing through Transporter's Internet Website except that the identity of the bidder will remain confidential during the open season. To be considered under this subsection, bids must be: (1) received during an open season; (2) in writing, posted to Transporter's Customer Activities Website, or submitted through EDI; and (3) must conform with the provisions of Section 6.2 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 and the Releasing Shipper's Section 6.15.14(A) requirements set forth in the capacity release notice. Additionally, the potential Replacement Shipper must provide Transporter with its Dun & Bradstreet Number.
- (E) Bids shall be binding until notice of withdrawal is received by Transporter on Transporter's Customer Activities Website. Bids, however, cannot be withdrawn once the bid period ends.
- (F) At the close of the open season, one of the following will occur:
 - (1) A request by Releasing Shipper to solicit additional bids, which shall be treated as a new request under Section 6.15.14(A).
 - (2) If one bid is received (bids must meet Section 6.15.14(A) requirements in order to be valid), then Transporter will contract with the bidder if the bidder complies with Section 6.15.10 and will implement the capacity release pursuant to Section 6.15.14(B) above. Transporter shall so notify Releasing Shipper.
 - (3) If more than one bid is received, Transporter shall utilize the following criteria to determine the "best bid":
 - (a) highest rate;

- (b) net revenue;
- (c) present value; or
- (d) any other non-discriminatory method specified by the Releasing Shipper in its notice of Section 6.15.14(A).

For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology.

- (4) In the event that more than one bid qualifies as the "best bid," then priority shall be allocated based on the method specified by the Releasing Shipper in its notice of Section 6.15.14(A). Priority bidders are not required to accept any quantity of gas less than the full quantity bid, unless the bidder has indicated that it would be willing to accept a lesser quantity. Transporter will contract with the bidder(s) receiving priority that complies with Section 6.15.10 and will implement the capacity release pursuant to Section 6.15.14(B) above. Transporter shall so notify Releasing Shipper.
- (G) A successful bidder under Section 6.15.14(F) shall contract with Transporter under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, as provided for in this section, for the Capacity pursuant to the terms of its bid and shall become a Replacement Shipper under this tariff. Notwithstanding any provision of Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, the Replacement Shipper's rights under the release and assignment shall not be superior to those of the Releasing Shipper.
- (H) A bid is an offer by the bidder to accept from Transporter the Capacity posted on Transporter's Internet Website pursuant to Section 6.15.14(C). The bid may be withdrawn or adjusted upward but not downward during the open season, and at the close of the open season shall remain open until the priority bidder becomes an FT, EFT, or LFT Shipper pursuant to Section 6.15.14(G) above. Contingent bids that meet the criteria set forth by the Releasing Shipper in Section 6.15.14(A)(13) above will be allowed. If the bid is not accepted or if the bidder fails to satisfy the applicable provisions of Transporter's Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT, as appropriate, and become a Replacement Shipper, then Transporter will refund any payment made pursuant to Section 6.26 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.
- (I) Releasing Shipper may provide to Transporter, at the time of submission of the written notice required by Section 6.15.14(A), the name and bid terms of a pre-arranged Replacement Shipper. Transporter shall post the pre-arranged Replacement Shipper's bid on Transporter's Internet Website at the same time that the Section 6.15.14(A) notice is posted. At the conclusion of the open season, if

the pre-arranged Replacement Shipper is not the priority bidder under Section 6.15.14(F), then the pre-arranged Replacement Shipper shall have until 11:30 p.m. (C.C.T.) on the same day the open season ended in which to match the bid of the priority bidder under Sections 6.15.14(F)(3) or 6.15.14(F)(4). In the event that the pre-arranged Replacement Shipper matches the bid of the priority bidder, then the pre-arranged Replacement Shipper shall become the priority bidder under Sections 6.15.14(F)(3) or 6.15.14(F)(4).

6.15.15 Transporter's Right to Terminate a Temporary Release.

Transporter may elect to terminate a Replacement Shipper's individual Transportation Service Agreement in the event the Replacement Shipper has executed a License Agreement to cover multiple temporary capacity release transactions, upon thirty (30) days prior written notice, under the following conditions:

- (a) the Releasing Shipper has failed to maintain creditworthiness in accordance with Section 6.26 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, as applicable, and under the provisions of that Section 6.26, Transporter has terminated the Releasing Shipper's Transportation Service Agreement from which capacity was released and assigned to the Replacement Shipper; and
- (b) the rate payable to Transporter under the Replacement Shipper's individual Transportation Service Agreement is less than the Releasing Shipper's contract rate.

The Replacement Shipper may avoid termination of the Temporary Capacity Release if, prior to the end of the 30-day notice period, the Replacement Shipper agrees that, beginning with the first day after the end of the 30-day notice period, it will pay the lower of (1) the former Releasing Shipper's contract rate, (2) the maximum tariff reservation and utilization rates for Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT service, as applicable, or (3) such rate as mutually agreed upon by Transporter and Replacement Shipper, for the remaining term of the Replacement Shipper's contract.

6.15.16 Posting Offers to Purchase Released Capacity.

A Shipper desiring released capacity may submit a request to Transporter 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 Transporter's Internet Website for no less than thirty (30) days on an informational basis.

6.16 FIRM SERVICE AGREEMENT EXPIRATION - RIGHT OF FIRST REFUSAL

Section 6.16 applies to Shippers under Rate Schedule FT, Rate Schedule EFT, and Rate Schedule LFT to Transporter's FERC Gas Tariff, Third Revised Volume No. 1 with Agreements entered into prior to March 26, 2000, for a term of one year or more and that desire to continue Transportation Service beyond the primary term of the Agreement. For Agreements entered into on or after March 26, 2000, Section 6.16 applies to any Shipper with an Agreement under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT that is at the maximum applicable tariff rate and is either: (1) for a term of twelve (12) or more consecutive months or (2) for a term of more than one (1) year for a Service which is not available for twelve (12) consecutive months, and that desires to continue Transportation Service beyond the primary term of the Agreement. However, this Section 6.16 shall not apply (i) to an interim service agreement associated with capacity that has been reserved for a Pre-arranged Service, for which Transporter has limited the interim service renewal rights, as provided in Section 6.2.2 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, (ii) to a service agreement associated with off-system capacity, for which Transporter has limited the renewal rights, as provided in Section 6.22 paragraph 2 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, or (iii) to a limited-term service agreement associated with capacity that has been reserved for a future expansion project, for which Transporter has limited any extension rights, as provided in Section 6.14 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1.

If a Shipper's Agreement does not qualify for the right of first refusal pursuant to the preceding paragraph, Transporter may offer a contractual right of first refusal on a not unduly discriminatory basis ("Contractual ROFR"). If the terms of Shipper's Agreement include a Reduction Option, the quantity subject to Section 6.16 shall be the quantity in effect on the date of termination of the initial Agreement.

Shipper may apply the provisions of this Section 6.16 to all or any part of the expiring capacity under its existing Agreement. Any quantity not subject to the provisions of this Section 6.16 shall be subject to the provisions of Section 5.1.2 of Rate Schedule FT, Section 5.2.2 of Rate Schedule EFT, or Section 5.3.2 of Rate Schedule LFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

6.16.1 Notification to Shipper and Shipper Response.

(a) Transporter shall notify Shipper twelve (12) months prior to the expiration of an existing Agreement of the impending termination, or may notify Shipper of Transporter's exercise of any contractual right to terminate the existing Agreement. Within thirty (30) days of Transporter's notification, Shipper shall provide to Transporter:

- (1) a written response stating that Shipper wishes to exercise its right of first refusal pursuant to this Section 6.16, including the quantity, if any, for which Shipper does not wish the provisions of this Section 6.16 to apply; or
- (2) a written response stating that Shipper does not wish to exercise its right of first refusal.

Nothing in this section shall preclude Shipper from renewing the existing Agreement pursuant to Section 5.1.2 paragraph 1(b) of Rate Schedule FT and Section 5.2.2(j)(2) of Rate Schedule EFT or Section 5.3.2(g)(2) of Rate Schedule LFT, as applicable.

- (b) Shipper's failure to provide within thirty (30) days of Transporter's notification the written response required by Section 6.16.1(a) shall constitute an irrevocable waiver of Shipper's right of first refusal.
- (c) Nothing in this section shall require Transporter to discount below the maximum rate applicable to a Transportation Service nor shall Transporter be required to agree to any other terms.

6.16.2 Posting of Notice for Bids.

Within five (5) business days of receipt of Shipper's Section 6.16.1(a)(1) written response that it wishes to exercise its right of first refusal, Transporter shall post upon Transporter's Internet Website a notice of capacity available for bids containing the following information:

- (a) The quantity of capacity available upon expiration of Shipper's existing Agreement subject to existing Shipper's right of first refusal (bids for partial capacity are permitted).
- (b) The date of expiration of the Agreement.
- (c) The Primary Receipt Point(s) of the Agreement.
- (d) The Primary Delivery Point(s) of the Agreement.
- (e) The maximum rate applicable to the Transportation Service as set forth in Sections 4.1 and/or 4.2.
- (f) If the service to be renewed is under Transporter's Rate Schedule LFT, Transporter shall make clear in the posting that service is subject to periods of unavailability as provided for under such rate schedule and shall post the number of Days that Service shall be unavailable.

The notice shall remain posted on Transporter's Internet Website and the capacity shall remain open for bids for thirty (30) days.

6.16.3 Submission of Bids. "Potential Shippers" are persons who desire Transportation Service to be provided to them in whole (or in part) from the capacity made available upon expiration of Shipper's existing Agreement. Bids from Potential Shippers must be received by Transporter within thirty (30) days of the Section 6.16.2 posting date. A bid shall be an offer to enter into a Transportation Service Agreement under Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as appropriate.

6.16.4 Bid Requirements. A bid must be:

- (a) submitted in accordance with Section 6.16.3 of Transporter's FERC Gas Tariff, Third Revised Volume No. 1;
- (b) signed by one authorized to sign contracts on behalf of the Potential Shipper, or submitted to Transporter's Internet Website by one authorized to submit bids for Transporter's capacity on behalf of the Potential Shipper pursuant to Section 6.24, Electronic Communications, of the General Terms and Conditions; and
- (c) submitted by a Potential Shipper that has complied with the requirements for a request for service pursuant to Rate Schedule FT, Rate Schedule EFT, or Rate Schedule LFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as appropriate, and with the creditworthiness provisions of Section 6.26 of the General Terms and Conditions.

Transporter may reject all bids which propose a discount rate and term of discount not agreeable to Transporter. If a Potential Shipper's bid is rejected or not awarded for any reason, Transporter will refund any payment made pursuant to Section 6.26 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1.

6.16.5 Best Bid(s) for Matching Purposes.

- (a) At the close of the bidding period, Transporter shall review all bids that met the bid requirements and that were not rejected by Transporter pursuant to Section 6.16.4. Such bids ("valid bids") shall be evaluated on the basis of the Net Present Value of the proposed reservation rate (or any other proposed form of revenue guarantee) and the associated proposed term ("NPV per unit"). As used in this Section 6.16.5, revenue guarantee shall include, but not be limited to, revenue based on any minimum through-put commitment proposed in a bid.
- (b) The NPV per unit shall be determined utilizing the FERC approved interest rate as the discount rate, except that any bid rate higher than the maximum applicable tariff rate shall be deemed to be equal to the maximum applicable tariff rate.
- (c) Transporter shall rank the bids in order of the highest to the lowest NPV per unit. From those ranked bids, Transporter will determine which bid(s) is the "Best Bid(s) for Matching Purposes" ("BBMP(s)"). The BBMP(s) shall be the bid(s), in order of ranking, which aggregate to a total quantity not greater than the capacity posted for bids under Section 6.16.2.

6.16.6 Notice of Bid Results. Within fifteen (15) days of the close of the bidding period, Transporter will notify Shipper:

- (1) of the rate and term, as adjusted pursuant to Section 6.16.5(b), and the quantity of each BBMP, if any, ranked from highest to lowest NPV per unit; or
- (2) that no valid bids were received.

6.16.7 Matching and Award of Capacity.

- (a) Shipper shall have thirty (30) days from Transporter's Section 6.16.6 notice to match the BBMP(s) for the quantity that Shipper wishes to renew. Shipper shall match the BBMP(s) in order of ranking (highest to lowest).
- (b) In order to match a BBMP, Shipper must agree to a net present value of rate and term which at least equals the net present value of the rate and term, as reflected in Transporter's Section 6.16.6 notice, of the BBMP being matched; provided, however that Shipper shall not be required to pay any rate higher than the maximum applicable tariff rate; and further provided that Transporter shall not be required to accept any rate other than the rate stated in the BBMP, or the maximum applicable tariff rate, nor shall Transporter be required to agree to any other terms.
- (c) If a matched BBMP represents a volumetric portion of the total capacity posted for bids under Section 6.16.2, the volumetric amount of capacity to which the matched BBMP applies shall be awarded to Shipper. Shipper may choose to renew a volumetric portion of a particular BBMP provided it has matched any and all higher-ranked BBMP(s) for their full volumetric capacity.
- (d) To the extent that the quantity Shipper wishes to renew exceeds the aggregate quantity of the BBMP(s), and after Shipper has matched all BBMP(s) for their full volumetric quantity, the provisions of Section 6.16.8 regarding absence of bids shall apply to the remaining quantity.

6.16.8 Absence of Bids. In the event Transporter does not receive any valid bids, Transporter and Shipper shall have twenty (20) days from Transporter's Section 6.16.6 notice to mutually agree upon the terms and conditions of renewed service, provided that (a) Transporter shall not be required to discount below the maximum applicable tariff rate or to agree to any other terms; and (b) Shipper may select the term of renewed service after agreeing to pay the maximum rate.

6.16.9 Awarding of Capacity.

Any capacity not awarded to the existing Shipper shall be awarded to the Potential Shipper(s) whose bid(s) produces the highest NPV per unit utilizing the FERC approved interest rate as the discount rate and utilizing the actual term set forth in the bid(s).

6.16.10 Shipper's Right of First Refusal.

Shipper's right of first refusal shall expire upon award to Shipper of the total capacity Shipper wishes to renew, or thirty (30) days from Transporter's Section 6.16.6 notice, whichever is earlier. Shipper shall have a new right of first refusal on its renewal agreement for (a) capacity renewed at the maximum rate that meets the requirements set forth in Section 6.16; and (b) capacity renewed under a discounted recourse rate agreement or negotiated rate agreement if Shipper and Transporter so agree in accordance with Section 6.16.

6.16.11 Expiration of Right of First Refusal.

Upon expiration of Shipper's right of first refusal, the provisions of Section 5.1.2 of Rate Schedule FT, Section 5.2.2 of Rate Schedule EFT, or Section 5.3.2 of Rate Schedule LFT of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 shall apply.

6.17 GAS RESEARCH INSTITUTE PASSTHROUGH PROVISION

1. Transporter shall be a voluntary collection agent for Shippers who voluntarily choose to support Gas Research Institute (GRI) as provided in Section 6.17 paragraph 2.

2. Voluntary GRI Contribution Mechanism.

Pursuant to Section 1.7 of the January 21, 1998, GRI Settlement & Agreement in Docket No. RP97-149-003, et al., Transporter will act as a voluntary collection agent for Shippers who voluntarily choose to contribute to GRI programs. Transporter's invoices will provide for a "check the box" voluntary GRI contribution and such contribution shall be paid to Transporter along with other amounts due on that invoice. The "check the box" provision will allow a Shipper to specify the amount of the contribution and the project or project areas to be funded.

3. Remittance to GRI.

Transporter shall remit to GRI, not later than fifteen (15) days after the receipt thereof, the amount of all voluntary GRI contributions received along with a listing by Shipper of such voluntary contributions as provided in Section 6.17 paragraph 2, including any identified project or project areas.

6.18 ANNUAL CHARGES ADJUSTMENT

1. Purpose.

Section 3401 of the Omnibus Budget Reconciliation Act of 1986 provides that the Commission establish annual charges for each fiscal year ending September 30, in an amount equal to all costs incurred to operate FERC for the fiscal year.

For the exclusive purpose of pass through of Transporter's annual charge, this section establishes an Annual Charges Adjustment (ACA) to be applicable to all of Transporter's Transportation Rate Schedules.

2. Basis of the Annual Charges Adjustment.

This commodity (utilization) charge factor is reflected in Section 4.6 of Third Revised Volume No. 1 of Transporter's FERC Gas Tariff. The monthly billing amount related to these charges is determined by multiplying the unit based charge factor, established annually by the FERC, by the quantities delivered to the respective customers each month.

3. It is Transporter's intent not to recover any annual charges recorded in FERC Account No. 928 in a Natural Gas Act Section 4 rate proceeding. Transporter reserves the right to change methods of annual charges cost recovery in the context of a general rate change filing under 18 CFR Section 154.63.

6.19 DISCOUNTING POLICY.

As stated in Section 5.1.4.2 of Rate Schedule FT, Section 5.2.4.2 of Rate Schedule EFT, Section 5.3.4.2 of Rate Schedule LFT, and Section 5.4.4.2 of Rate Schedule IT and in Section 5.5.4.1 of Rate Schedule PAL of this FERC Gas Tariff, Third Revised Volume No. 1, Transporter may from time to time selectively adjust any or all of the rates charged to any individual Shipper for which maximum and minimum rates are stated in Sections 4.1, 4.2, and 4.4 of this FERC Gas Tariff, Third Revised Volume No. 1. Discounting of rate charges shall, however, be done in the following order:

- (1) Reservation Fee;
 - (2) Utilization Fee, but not below the stated minimum charge.
1. Specified Discount. In addition to a basic discount as provided in Section 5.1.4.2 of Rate Schedule FT, Section 5.2.4.2 of Rate Schedule EFT, Section 5.3.4.2 of Rate Schedule LFT, and Section 5.4.4.2 of Rate Schedule IT and in Section 5.5.4.1 of Rate Schedule PAL, Shipper and Transporter may from time to time agree in writing to a specified discount of the otherwise applicable rates and charges. Such specified discounts, as described in this Section 6.19, shall not constitute a material deviation from Transporter's applicable pro forma Service Agreement. In all circumstances the specified discounted rate, as described in Shipper's Service Agreement, shall be between the maximum rate and the minimum rate applicable to the service provided. Such specified discounted rate may:
- (1) apply only to certain specified quantities (MDQ or utilization quantities) under the Agreement;
 - (2) apply only if specified quantity levels are achieved (with different rates, charges, and fees applicable to all quantities above such levels, or to all quantities under the Agreement if the specified levels are not achieved);
 - (3) apply in a specified relationship to quantities actually transported (i.e. that the rates shall be adjusted in relationship to quantities actually transported);
 - (4) apply only during specified time periods;
 - (5) apply only to specified points, zones, markets, transportation paths, or other defined geographical areas, or for specific direction of gas flow;
 - (6) apply to production reserves committed by the Shipper;
 - (7) apply to quantities conditioned upon implementation and completion of a construction project or acquisition of facilities;

- (8) provide that if one rate component which was equal to or within the applicable maximum and minimum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate or is below the applicable minimum rate due to a change in Transporter's maximum rates and/or minimum rates, so that such rate component must be adjusted downward or upward to equal the new applicable maximum or minimum rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the maximum rate or are below the minimum rate applicable to the rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts the applicable revised maximum and minimum rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable;
- (9) be based on published index price point differentials, or arrived at by formula. Point prices shall be based on published index prices for specific receipt and/or delivery points or other agreed-upon pricing reference points for price determination. The discounted rate shall not change the underlying rate design nor include any minimum bill or minimum take provision that has the effect of guaranteeing revenue. Any service agreement containing such a discount will identify what rate component (i.e. reservation charge or usage charge or both) is discounted, and any formula will produce a reservation rate per unit of contract demand.

2. Treatment of Discounts.

- (1) A discount-type adjustment to recourse rates for negotiated rate agreements shall only be allowed to the extent that Transporter can meet the standards required of an affiliate discount-type adjustment including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition. Transporter 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 Transporter's entering into such negotiated rate agreement providing for such discount, Transporter 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 more fixed costs to the system than could have been achieved

without the discount.

6.20 CONSTRUCTION & FINANCING OF FACILITIES

1. Unless otherwise agreed to by the parties, Transporter shall not be required to own, construct or install gas supply or market lateral facilities. In the event Transporter agrees to own, construct or install gas supply or market area lateral facilities, Transporter shall do so on a not unduly discriminatory basis, and may require the reimbursement of costs associated therewith as agreed to by the parties. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act. Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown.
2. Transporter may agree to pay or contribute to the cost of building facilities for current or potential Shippers when Transporter determines that doing so will result in an economic benefit or when Transporter determines that the project is economically neutral to Transporter. Transporter may conclude that a portion of the facilities are economically beneficial. Transporter will evaluate each prospective project under this policy based upon the incremental cost of service and incremental revenues which Transporter estimates will be generated as a result of the project. When estimating incremental revenues to be generated, Transporter will base those revenues upon transportation rates it expects to be able to charge, net of pass-through surcharges, and the incremental volumes or firm service contracts to be incremental if the volumes or firm service contracts that will be transported or provided respectively would not otherwise flow through, or be contracted for firm service on Transporter's system.

6.21 PERIODIC REPORTS REQUIRED BY COMMISSION ORDER OR SETTLEMENT AGREEMENT(S)

Semi-Annual Transporter's Use Report

Pursuant to Docket No. RP91-174-008

Filed semi-annually each January 31 and July 31

Workpapers setting forth the calculations of the monthly Transporter's Use percentages applicable during the preceding six month period.

Penalty Revenue Crediting Report

Pursuant to Docket No. RP00-329-004

Filed within thirty (30) days of remittance of funds

Calculations reflecting the distribution of penalty revenues to qualifying shippers pursuant to Section 6.25 of the General Terms and Conditions of this FERC Gas Tariff, Third Revised Volume No. 1, including support for any applicable costs netted against such distributed amounts.

6.22 OFF-SYSTEM CAPACITY

Transporter will only utilize third party, off-system capacity for others pursuant to its existing Part 284 tariff and the rates provided therein, as approved by the Federal Energy Regulatory Commission. For purposes of transactions entered into pursuant to this section, the "Shipper must hold title" requirement is waived.

1. Third Party Transporter's Use.

Transporter shall require Shipper to furnish Transporter's Use that Transporter is required to furnish to any third party attributable to performance of service on behalf of Shipper.

2. Renewal Limitations.

In the event that off-system capacity utilized by Transporter on behalf of Shipper is subject to renewal limitations, as specified in a third party provider's tariff and/or as provided by FERC regulation, Transporter will indicate in any posting of capacity available for service any limitation to renewal rights that will apply as a result of limitations on the off-system capacity.

6.23 NAESB STANDARDS

Compliance with 18 CFR, Section 284.12

Transporter 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>
1.2.3	GT&C, General Nomination Guidelines, 6.3.1(g)
1.2.4	GT&C, Nomination Timeline, 6.3.2
1.3.1	GT&C, Definitions, 6.1(12)
1.3.2(i-vi)	GT&C, Nomination Timeline, 6.3.2(b)
1.3.5	GT&C, General Nomination Guidelines, 6.3.1(f)
1.3.6	GT&C, Nomination Timeline, 6.3.2(b)
1.3.8	GT&C, Nomination Timeline, 6.3.2(a)
1.3.9	GT&C, General Nomination Guidelines, 6.3.1(a)
1.3.11	GT&C, Nomination Timeline, 6.3.2(d)
1.3.13	GT&C, Nomination Timeline, 6.3.2(e)
1.3.16	GT&C, Transporter's Use, 6.27(a)
1.3.17	GT&C, General Nomination Guidelines, 6.3.1(g)
1.3.18	GT&C, General Nomination Guidelines, 6.3.1(g)
1.3.19	GT&C, General Nomination Guidelines, 6.3.1(a)
1.3.33	GT&C, Nomination Timeline, 6.3.2(d)
2.2.2	GT&C, Imbalance Netting and Trading, 6.3.9(A)
2.2.3	GT&C, Imbalance Netting and Trading, 6.3.9(B)
2.3.7	GT&C, Measurement, 6.6(8)
2.3.14	GT&C, Correction Methods, 6.7.5(d)
2.3.16	GT&C, Imbalances and Penalties, 6.3.3
2.3.18	GT&C, Imbalances and Penalties, 6.3.3
2.3.26	GT&C, Imbalances and Penalties, 6.3.3
2.3.28	GT&C, Imbalances and Penalties, 6.3.3
3.2.1	GT&C, Definitions, 6.1(3)
3.3.10	GT&C, Billing, 6.9.1
3.3.14	GT&C, Imbalances and Penalties, 6.3.3; and GT&C, Billing, 6.9.1
3.3.15	GT&C, Adjustment of Billing Errors, 6.9.5
3.3.17	GT&C, Payment, 6.9.3
3.3.18	GT&C, Payment, 6.9.3

3.3.19	GT&C, Failure to Pay, 6.9.4
5.2.3	GT&C, Definitions, 6.15.1(G)
5.3.1	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(B)
5.3.2	GT&C, Pre-arranged Releases Where Bidding is Not Required, 6.15.13(D); and GT&C, Procedure for Biddable Capacity Releases, 6.15.14(B)
5.3.3	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(B)(1) and (F)(3)
5.3.5	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(A)(9)
5.3.7	GT&C, Recall and Reput, 6.15.3
5.3.8	GT&C, Recall and Reput, 6.15.3(B)
5.3.10	GT&C, Pre-arranged Releases Where Bidding is Not Required, 6.15.13(B)
5.3.13	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(E)
5.3.14	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(C)
5.3.15	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(E)
5.3.16	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(C)
5.3.19	GT&C, Definitions, 6.15.1(A)
5.3.21	GT&C, Rate, 6.15.6(D)
5.3.23	Statement of Rates, Rate Schedules FT, LFT & EFT, 4.1
5.3.25	GT&C, Procedure for Biddable Capacity Releases, 6.15.14(F)(1)
5.3.26	GT&C, Rate, 6.15.6(A); and GT&C, Procedure for Biddable Capacity Releases, 6.15.14(A)(9) and (B)(1)
5.3.44	GT&C, Recall and Reput, 6.15.3(A)
5.3.45	GT&C, Recall and Reput, 6.15.3(A)
5.3.47	GT&C, Recall and Reput, 6.15.3(A)
5.3.48	GT&C, Recall and Reput, 6.15.3(A)
5.3.50	GT&C, Pre-arranged Releases Where Bidding is Not Required, 6.15.13(B)(4); and GT&C, Procedure for Biddable Capacity Releases, 6.15.14(A)(4)
5.3.51	GT&C, Pre-arranged Releases Where Bidding is Not Required, 6.15.13(B)(4); and GT&C, Procedure for Biddable Capacity Releases, 6.15.14(A)(4)
5.3.53	GT&C, Recall and Reput, 6.15.3(E)
5.3.54	GT&C, Recall and Reput, 6.15.3(C)
5.3.55	GT&C, Recall and Reput, 6.15.3(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

Credit Worthiness:

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

Datasets:

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

Nomination Related Standards:

Definitions:

1.2.1, 1.2.2, 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, 1.3.7, 1.3.14, 1.3.15, 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, 1.3.34, 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, 2.2.4, 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, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13,
2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 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:

Standards:

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

Data Sets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism 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 Related Standards:

Definitions:

5.2.1, 5.2.2, 5.2.4, 5.2.5

Standards:

5.3.4, 5.3.9, 5.3.11, 5.3.12, 5.3.18, 5.3.20, 5.3.22, 5.3.24, 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,
5.3.46, 5.3.49, 5.3.52, 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

6.24 ELECTRONIC COMMUNICATIONS

6.24.1 Transporter's Internet Website.

1. Transporter has established an internet home page that can be accessed twenty-four hours a day, seven days a week, to obtain information including: (1) Operationally Available and Unsubscribed Capacity; (2) Capacity available through Transporter's Firm Capacity Release Program; (3) Affiliate Information; (4) Index of Customers; (5) FERC Standards of Conduct Information of Transmission Providers, 18 CFR Part 358; (6) Critical, Operational, Planned System Outage and System Wide notices; (7) Job Titles and Descriptions; (8) Posted Imbalances; (9) this FERC Gas Tariff, Third Revised Volume No. 1; and (10) Transactional Reporting.

If any problems are encountered using Transporter's Internet Website, the user can seek help by calling (866) 454-7542 toll free between the hours of 8:00 a.m. and 5:00 p.m., Central Standard time on normal Business Days.

To perform interactive business functions through Transporter's Customer Activities Website, users must obtain a user identification code and password by executing and returning a user agreement, and an access request form for each individual seeking access to the transactional portion of Transporter's Internet Website.

2. Back-Up Records and Archived Material.

Transporter will retain daily back-up records of the information displayed on Transporter's Internet Website for three (3) years and will permit a user to review those records which are archived and reasonably accessible. A user must contact Transporter with a written request to retrieve back-up records or archived material. Transporter will make back-up records or archived material available in electronic format.

Reserved for Future Use

Reserved for Future Use

6.24.3 Use of Electronic Media.

When provisions of this FERC Gas Tariff require matters to be written or in writing, and such matters also may be handled through electronic media of any kind, including, but not limited to, Transporter's Internet Website according to its procedures, then at the option of Shipper or Transporter such provisions shall be satisfied by either Shipper's or Transporter's use of such electronic media.

6.24.4 Electronic Data Interchange.

Transporter has also implemented the necessary capabilities to allow for the transmittal of standardized datasets via Electronic Data Interchange (EDI) in compliance with ASC x12 EDI standards and pursuant to Commission Order No. 563.

Data may be transmitted to, and received from Transporter in Electronic Data Interchange (EDI) format via Transporter's Electronic Delivery Mechanism (EDM) through the internet and Transporter's designated site, as mandated in FERC Order 587-B. Individuals wishing to utilize this service must execute a Trading Partner Agreement with Transporter to govern the usage and transmission of data through such EDM.

Specific information regarding EDI is available through the contact listed in Section 6.24.1.

6.24.5 Electronic Mail.

Transporter's employees may be reached through electronic mail (e-mail) by using the format first name_lastname, and the phrase @transcanada.com. For example:

EMPLOYEE	E-MAIL ADDRESS
John Doe	john_doe@transcanada.com
Jane Smith	jane_smith@transcanada.com

6.24.6 Failure of Electronic Equipment.

In the event of a failure of electronic communication equipment, the internet, or a third party service provider, or any other similar emergency, Shipper may submit and Transporter shall accept in writing any information otherwise required to be submitted through Transporter's Internet Website or through EDI. Any such emergency shall be handled in a not unduly discriminatory manner.

6.25 PENALTY REVENUE CREDITING MECHANISM

Transporter shall establish an account to which it will credit all penalties imposed and collected and debit all costs incurred and paid out as a result of any activities or circumstances for which a penalty may be imposed under this FERC Gas Tariff, Third Revised Volume No. 1. Such activities or circumstances shall include but not be limited to: Shipper imbalances as described in Section 6.3.3 of the General Terms and Conditions; scheduling deviations as described in Section 6.3.5 of the General Terms and Conditions; daily imbalances as described in Section 5.2.2(i) of Rate Schedule EFT, Enhanced Firm Transportation Service; and Parked or Loaned gas as described in Sections 5.5.2.1(D) and (I) of Rate Schedule PAL, Park and Loan Service. Interest shall accrue on the balance in the account at the rate set forth in Section 154.501 of the Commission's Regulations.

Transporter shall distribute the balance in this account as of the earlier of September 30 of each year or the end of any month during which such balance exceeds \$1,000,000.00 by crediting the applicable Shipper's invoice for the following month's service, or by issuing a check or wire transfer. Transporter may also distribute the account balance at any other time Transporter deems necessary for administrative purposes. The balance shall be allocated to all shippers based upon the ratio of each Shipper's total transportation charges for each of the preceding months since the last distribution date (whether or not a distribution was made) during months for which that Shipper did not incur any penalties, to the total of all such transportation charges for all Shippers for such period. Transporter shall post calculations supporting any such distribution on Transporter's Internet Website for at least sixty (60) days following such distribution.

6.26 CREDITWORTHINESS

6.26.1 Determination of Creditworthiness.

- (A) For purposes herein, the determination of Shipper's creditworthiness will be based upon Shipper's credit/financial history and outlook, along with a comparison of the request for credit (defined as the sum of the reservation fees, utilization fees, and other applicable fees and amounts calculated for three months of service or the effective period of Shipper's service, whichever is shorter) to the Shipper's adjusted tangible net worth as defined in Section 6.26.1(B)(2). If the Shipper has multiple Agreements with Transporter, the exposure generated by the total of all such Agreements shall be considered in determining creditworthiness.
- (B) Shipper will be deemed creditworthy (on a standalone basis) if:
- (1) the Shipper provides verification that the lower of its senior unsecured debt rating or issuer rating is investment grade or better from each of the major rating agencies (if applicable), including, but not limited to, Moody's, Standard & Poor's, Fitch, and Dominion Bond Rating Service; and
 - (2) the request for credit is less than fifteen percent (15%) of the Shipper's tangible net worth, as adjusted. "Tangible net worth" is defined as Shipper's total assets, less total liabilities, less intangible assets, less off-balance sheet obligations. The fifteen percent (15%) referenced herein will be adjusted as appropriate by the use of key ratios to reflect issues and trends regarding Shipper's liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency, and profitability; and
 - (3) the Shipper's credit/financial history and outlook is determined to be acceptable by Transporter. Such determination shall be based upon Transporter's evaluation of (a) Shipper's financial statements and auditor's notes, Shipper's annual report to stakeholders, and Shipper's annual report to regulators; (b) whether Shipper has been placed on credit watch and/or there has been a change in Shipper's credit rating; (c) bank and trade references or other information obtained that is relevant to Shipper's current and future financial strength and its ability to pay its obligations in a timely manner; (d) Shipper's payment history to Transporter for services provided under this FERC Gas Tariff, Third Revised Volume No. 1; (e) whether Shipper is subject to any proceedings under any laws pertaining to bankruptcy, insolvency, liquidation, or debt reduction procedures; and (f) whether Shipper is subject to any recently filed substantial litigation either against Shipper or affecting Shipper's business prospects.
- (C) In the event that Transporter determines an existing Shipper or potential Shipper to be non-creditworthy, and upon request of such Shipper, Transporter shall provide

within five (5) days of the request a written explanation of the basis for the non-creditworthy determination.

6.26.2 Service to Non-creditworthy Shippers.

- (A) Transporter shall not be required to execute or extend an Agreement under any Rate Schedule on behalf of any Shipper, or to commence or to continue service to any Shipper, who is not deemed creditworthy pursuant to Transporter's credit standard as set forth in Section 6.26.1. Any Shipper failing to meet the credit standard may still receive service if Shipper furnishes and maintains with Transporter one of the following credit enhancements, in an amount determined pursuant to Section 6.26.2(C), calculated for (3) three months of service or the effective period of Shipper's service, whichever is shorter:
- (1) an unconditional, irrevocable guaranty executed from a party that meets Transporter's standards for creditworthiness as set forth in Section 6.26.1;
 - (2) a revolving irrevocable standby letter of credit from a creditworthy major U.S. or Canadian bank or finance company; or
 - (3) such other form of credit enhancement as may be acceptable to Transporter to assist the Shipper in meeting Transporter's standards for creditworthiness.
- (B) In lieu of credit enhancement, Transporter may agree to accept a prepayment for service.
- (C) The amount of credit enhancement or prepayment required to be provided by Shipper shall be determined by Transporter, giving consideration to, without limitation:
- (1) the highest estimated charges that may be incurred by Shipper, including reservation, commodity, and any other applicable charges; and
 - (2) for loan transactions, the value of gas loaned, calculated as Shipper's Maximum Quantity as set forth on Appendix A of its PAL Agreement multiplied by the midpoint "Emerson, Viking GL" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. Transporter shall have no obligation to lend any quantity of gas beyond amounts for which Transporter holds security.
- (D) Transporter shall provide written notice of its determination that an existing Shipper no longer qualifies for standalone credit. Such notice shall state the amount of security required by Transporter pursuant to this Section 6.26.2 in order for Shipper to continue to receive service. Further,

- (1) Within five (5) business days of its receipt of Transporter's notice, Shipper shall:
 - (a) submit payment in full of any amounts which remain due and owing to Transporter for services already provided and invoiced to Shipper; and
 - (b) provide prepayment for one (1) month of service.
 - (2) Within thirty (30) days of its receipt of Transporter's notice, Shipper shall provide the form and amount of credit enhancement described in Sections 6.26.2(A)-(C) in order to continue to receive service.
- (E) If Shipper should fail to provide 1) the required information pursuant to Section 6.26.4; 2) any payment required pursuant to Section 6.9.4 - Failure to Pay; or 3) any required credit enhancement and/or prepayment pursuant to this Section 6.26.2, Transporter may suspend or terminate service to Shipper. Transporter shall provide written notice to Shipper thirty (30) days prior to a termination of service and at least forty-eight (48) hours prior to a suspension of service. Shipper shall not be obligated to pay any reservation fees for suspended service attributable to the period when such service is suspended. Upon resolution of the deficiencies cited by Transporter in a notice of suspension, Transporter shall promptly reactivate service to Shipper and notify Shipper of such reactivation.

6.26.3 Credit Requirements for Service Requiring New Non-Mainline Facilities.

Shippers that contract for service requiring new non-mainline facilities, such as laterals, meter stations, and other appurtenances, must be deemed creditworthy on a standalone basis, or provide such other forms of additional credit enhancement, in an amount agreeable to Transporter, for a period up to the termination date of Shipper's Agreement. In the case of a permanent release of such service, the Replacement Shipper must be deemed creditworthy on a standalone basis, or provide such other forms of additional credit enhancement, in an amount agreeable to Transporter, for a period up to the termination date of the Releasing Shipper's Agreement.

6.26.4 Credit Information.

As part of an initial or subsequent Request for Service, Transporter may request from Shipper (or its guarantor) the following information, on an ongoing basis:

- (a) a copy of Shipper's audited financial statements, annual reports and most recent interim financial statements with an attestation by its Chief Financial Officer, Controller, or equivalent that such statements constitute a true, correct and fair representation of the financial position and results of the company;
- (b) statement of legal composition and a list of parent companies, subsidiaries, and affiliates;
- (c) a statement of any proceedings having been commenced by or against such Shipper for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extensions. In the event that a court decree or order shall have been entered for the appointment of a receiver, liquidator, trustee, assignee in bankruptcy or insolvency of Shipper, or of a substantial part of its property, or for the winding up or liquidation of its affairs, or in the event that any substantial part of the property of Shipper shall be sequestered or attached and shall not be returned to the possession of Shipper or released from attachment within thirty (30) days thereafter; or in the event that Shipper shall make a general assignment for the benefit of creditors or shall admit in writing its inability to then pay its debts generally as they become due, then Shipper shall fully disclose any and all actions regarding the above described proceedings against Shipper or any affiliated companies;
- (d) other information as reasonably requested by Transporter, including information from credit rating agencies.

6.26.5 Reserved for Future Use.

6.27 TRANSPORTER'S USE

- (a) Shipper shall furnish gas for Transporter's Use in the following manner: Shipper shall tender to Transporter, for Transporter's Use, quantities of gas, in addition to Shipper's Scheduled Daily Delivery for Transportation Service, equivalent to the total Gas Tendered times the percentage determined by Transporter for the calendar month during which the deliveries are made for the services applicable to Shipper.

As such, the Scheduled Daily Delivery for Transportation divided by one less the applicable Transporter's Use percentage shall be equal to the total Gas Tendered. The applicable Transporter's Use percentage shall be determined based on each seventy-five (75) miles of Transportation or fraction thereof.

FORMULA

$SDD / (1 - TU\%) = GT$ where

GT = Gas Tendered for Transport and Transporter's Use
TU% = Transporter's Use percentage
SDD = Scheduled Daily Delivery

- (b) Transporter will post the applicable fuel schedules utilized to determine the monthly fuel percentages by way of Transporter's Internet Website on the tenth (10th) calendar day of each month for the following month. Transporter's fuel schedules will be posted as a Notice on Transporter's Internet Website. Shipper may request that Transporter notify it by email that the fuel schedules have been posted on Transporter's Internet Website. Shipper may comment on the fuel schedules and associated fuel percentages prior to the eighteenth (18th) calendar day of each month. Transporter may make changes to the fuel schedules and on the eighteenth (18th) calendar day of each month, the fuel percentages will be final and shall be supported by final fuel schedules. If the tenth (10th) or eighteenth (18th) calendar day falls on a weekend day or federal banking holiday, then Transporter will post the applicable fuel schedules and percentages on the next Business Day. Such percentages shall be within the maximum and minimum percentages for each seventy-five (75) miles of Transportation or fraction thereof set forth in Section 4.5 of Third Revised Volume No. 1.
- (c) Changes to the percentages shall be made in the following manner:
- (1) Transporter will make the following calculations. Transporter will compare the actual system Transporter's Use to the Transporter's Use tendered by all Shippers for the prior month (including any remaining over or underrecovery from the preceding prior period). Separate comparisons will be made for (1) fuel and other use gas, which is subject to the per seventy-five (75) mile allocation; and

- (2) lost and unaccounted gas, which is allocated volumetrically. These comparisons will be used to determine the Prior Period Difference for the applicable period.
- (2) The Prior Period Difference, positive or negative, will be included in determining the Transporter's Use percentages applicable to the next calendar month. Except as provided in the preceding sentence, the Transporter's Use percentages applicable to a calendar month shall be based upon forecasted Transporter's Use gas.
- (d) Transporter shall file with the Commission, by July 31st and January 31st of each year, the calculations supporting the Transporter's Use Percentages that were charged in each of the preceding six months. At any time deemed appropriate by the Transporter, the Transporter may adjust the minimum and/or maximum percentages set forth in Section 4.5 of this Third Revised Volume No. 1. Transporter shall file with the Commission such revised percentages. The filing shall be based upon the Transporter's past experience adjusted for any cumulative over or under-recovery of Transporter's Use existing as of the month preceding the month of the filing.

FORM OF SERVICE AGREEMENT

Reserved for Future Use

Reserved for Future Use

Reserved for Future Use

FORM OF TRANSPORTATION SERVICE AGREEMENT
(For Use Under Transporter's Rate Schedules FT, EFT, and LFT)

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and _____ (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. EFFECTIVE DATE:
2. CONTRACT IDENTIFICATION:
3. RATE SCHEDULE:
4. SHIPPER TYPE:
5. STATE/PROVINCE OF INCORPORATION:
6. TERM: _____ to _____.

For Rate Schedule LFT only: During the term stated above, Service to Shipper shall be Unavailable on _____ Days.

Right of First Refusal:

(whichever option is applicable)

Regulatory (in accordance with Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff. (or)

Transporter and Shipper agree that Shipper may extend the primary term of this Agreement by exercising a Contractual Right of First Refusal, pursuant to the procedures set forth in Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff. (or)

Not Applicable to this Agreement

7. EFFECT ON PREVIOUS CONTRACTS:
This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): (If applicable)

8. MAXIMUM DAILY QUANTITY (Dth/Day):
Please see Appendix A for further detail.

For Rate Schedule EFT only:
MAXIMUM HOURLY QUANTITY (Dth/Hour):
Please see Appendix A for further detail.

9. RATES:
Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9.
10. POINTS OF RECEIPT AND DELIVERY:
The primary receipt and delivery points are set forth on Appendix A.
11. RELEASED CAPACITY:
Capacity rights for this Agreement were released from (Releasing Shipper and Contract I.D.): (If applicable)
12. INCORPORATION OF TARIFF INTO AGREEMENT:
This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.
13. MISCELLANEOUS:
No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. OTHER PROVISIONS (As necessary):

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

Transporter and Shipper agree that, pursuant to Section 6.2.1(h) of the General Terms and Conditions, this Agreement is subject to a Reduction Option as herein described: (if applicable)

Pursuant to Section 6.4 of Transporter's Tariff, Transporter and Shipper have mutually agreed to receipt and/or delivery pressure commitment(s) as herein described: (if applicable)

Pursuant to Section 6.20, paragraph 2, of the General Terms and Conditions, Transporter will make a Contribution in Aid of Construction subject to the terms and conditions as herein described: (if applicable)

15. NOTICES AND COMMUNICATIONS:

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, e-mail, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission
Limited Partnership
Commercial Operations
700 Louisiana Street, Suite 1300
Houston, TX 77002-2700

Shipper's Name and Address:

Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION
LIMITED PARTNERSHIP

Shipper:

By: Its Operator, TransCanada Northern Border Inc.

By:

By:

Title:

Title:

APPENDIX A
CONTRACT IDENTIFICATION:

Date:
Supersedes Appendix Dated:

Shipper:

Maximum Daily Quantity (Dth/Day) per Location and (For Rate Schedule EFT only) Maximum
Hourly Quantity (Dth/Hour) per Location:

<u>Begin Date</u>	<u>End Date</u>	Point(s) of Primary <u>Receipt</u>	Points(s) of Primary <u>Delivery</u>	<u>MDQ</u>	For Rate Schedule EFT only: <u>MHQ</u>
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Reserved for Future Use

FORM OF PARK AND LOAN SERVICE AGREEMENT
(For Use Under Transporter's Rate Schedule PAL)

This Park and Loan Service Agreement (PAL Service Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and _____ (Shipper).

WHEREAS, Shipper has requested Transporter to provide Park and Loan Services and Transporter represents that it is willing to provide such Park and Loan Services under the terms and conditions of this PAL Service Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the Park and Loan Services to be provided and the rights and obligations of Shipper and Transporter.

1. EFFECTIVE DATE:

2. CONTRACT IDENTIFICATION:

3. RATE SCHEDULE:

4. SHIPPER TYPE:

5. STATE/PROVINCE OF INCORPORATION:

6. TERM:

_____ to _____, and then month to month thereafter unless terminated by either party, upon a minimum of thirty (30) days written notice. (The term of each transaction shall be specified in the applicable Appendix A.)

7. EFFECT ON PREVIOUS CONTRACTS:

This PAL Service Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): (If applicable)

8. RATES:

Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Great Lakes' maximum rates and charges plus all applicable surcharges in effect from time to time under Rate Schedule PAL on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than maximum shall be set forth in the Appendix A attached hereto.

Shipper's nomination for service under Rate Schedule PAL shall evidence Shipper's acceptance of the actual rate(s) to be charged for the service being nominated and shall obligate Shipper to pay all charges calculated using those rates as applied to the quantities scheduled.

9. POINTS OF RECEIPT AND DELIVERY:

Shipper may nominate any point on Transporter's system as a Park and Loan Point under this rate schedule.

10. INCORPORATION OF TARIFF INTO AGREEMENT:

This PAL Service Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and Rate Schedule PAL set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in Rate Schedule PAL and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this PAL Service Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

11. MISCELLANEOUS:

Transporter 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 Transporter to Shipper in an Appendix A and executed by Shipper to confirm such terms. Shipper must execute an Appendix A for each transaction prior to submitting a nomination.

The terms of any such Appendix A are hereby incorporated by reference in this Agreement. Transporter and Shipper agree that the terms of each Appendix 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 Transporter and Shipper.

No waiver by either party to this PAL Service Agreement of any one or more defaults by the other in the performance of this PAL Service Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this PAL Service Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

12. OTHER PROVISIONS (As necessary):

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this PAL Service Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this PAL Service Agreement is limited to assets of the Transporter.

Upon termination of this PAL Service Agreement, Shipper's and Transporter's obligations to each other arising under this PAL Service Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this PAL Service Agreement.

Pursuant to Section 5.5.2.1(I) of Rate Schedule PAL, failure by Shipper to comply with notice from Transporter to remove and/or return Gas within the time frame specified may result in the termination of Shipper's PAL Service Agreement.

13. NOTICES AND COMMUNICATIONS:

All notices and communications with respect to this PAL Service Agreement shall be in writing by mail, e-mail, or other means 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:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission
Limited Partnership
Commercial Operations
700 Louisiana Street, Suite 1300
Houston, TX 77002-2700

Shipper's Name and Address:

Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION
LIMITED PARTNERSHIP

By: Its Operator, TransCanada Northern Border Inc.

By:

Title:

Shipper:

By:

Title:

Date: _____ Contract No.: _____

APPENDIX A
PARK AND LOAN (PAL) SERVICE AGREEMENT

This Appendix A is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and _____ (Shipper) and;

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

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

COMPANY - Great Lakes Gas Transmission Limited Partnership

COMPANY ADDRESS - Transportation Accounting and Contracts
700 Louisiana St., Suite 1300
Houston, TX 77002-2700

SHIPPER - _____
SHIPPER'S ADDRESS - _____

PAL Term: _____ to _____

Maximum Quantity ("MQ"): _____

PAL Point: _____

Date: _____

Contract No.: _____

Applicable PAL Service Option (Park or Loan):

<u>Transaction</u>	<u>Loc Name</u>	<u>Loc</u>	<u>MQ</u>	<u>Zone</u>		
<u>Activity</u>	<u>Ratable</u>	<u>Start Date</u>	<u>End Date</u>	<u>Min Daily</u>	<u>Max Daily</u>	
<u>Rates</u>	<u>Effective Date</u>	<u>First Day</u>	<u>Subsequent Days</u>			
<u>Start</u>	<u>End</u>	<u>Rate</u>	<u>Rate</u>			

This Appendix A is made and entered into as of _____, _____

AGREED TO BY:

SHIPPER

GREAT LAKES GAS TRANSMISION
LIMITED PARTNERSHIP

By: Its Operator, TransCanada Northern Border
Inc.

By:
Name:
Title:

By:
Name:
Title:

FORM OF TRANSPORTATION SERVICE AGREEMENT
(For Use Under Transporter's Rate Schedule IT)

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and _____ (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. EFFECTIVE DATE:
2. CONTRACT IDENTIFICATION:
3. RATE SCHEDULE:
4. SHIPPER TYPE:
5. STATE/PROVINCE OF INCORPORATION:
6. TERM: _____ to _____,
and then month to month thereafter unless terminated by either party, upon a minimum of thirty (30) days written notice.
7. EFFECT ON PREVIOUS CONTRACTS:
This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): (If applicable)
8. RATES:
Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under Rate Schedule IT on file with the Commission. If Transporter and Shipper have mutually agreed on a rate other than the maximum rate, that rate, and any provisions governing such rate, shall be set forth herein, or in writing, or through the customer activities link on Transporter's Internet Website.
9. INCORPORATION OF TARIFF INTO AGREEMENT:
This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act

(NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

10. MISCELLANEOUS:

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

11. OTHER PROVISIONS (As necessary):

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

12. NOTICES AND COMMUNICATIONS:

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, e-mail, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission
Limited Partnership
Commercial Operations
700 Louisiana Street, Suite 1300
Houston, TX 77002-2700

Shipper's Name and Address:

Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION
LIMITED PARTNERSHIP

Shipper:

By: Its Operator, TransCanada Northern Border Inc.

By:

By:

Title:

Title:

Reserved for Future Use

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Partnership
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