

RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This FT-1 Rate Schedule is available to any party (hereinafter called "Shipper"), for firm transportation service under the authority and provisions of Part 284 of the regulations of the Commission, provided that:

- 1.1 Transporter determines it has sufficient System Capacity to render the firm transportation service and is able to provide said transportation.
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
- 1.3 Shipper and Transporter have executed a FT-1 Firm Transportation Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.
- 1.4 Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters.
- 1.5 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of Transporter's system, shall be firm, subject to the provisions of an effective FT-1 Firm Transportation Agreement and to the GT&C.
- 2.2 On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GT&C. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 7 of the GT&C.
- 2.3 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under its Firm Transportation Agreement or the GT&C.

- 2.4 Transporter shall receive for Shipper's account for transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement.

Transporter shall deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed at Exhibit A to Shipper's Firm Transportation Agreement, Dths equivalent to the amount of Dths received by Transporter at the Receipt Point(s), less Fuel Requirement.

- 2.5 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule.

3. RATES AND CHARGES

- 3.1 The applicable maximum and minimum rate for services hereunder are set forth in the currently effective Statement of Rates and Charges of this Tariff and are incorporated herein.

- 3.2 Unless Transporter and Shipper agree to a discounted Recourse Rate or Negotiated Rate for service provided hereunder, the rates applicable to Shipper for service hereunder shall be the maximum Recourse Rates as set forth on the effective Statement of Rates and Charges. In negotiating rates with a Shipper, Transporter shall negotiate rates in a manner that is not unduly discriminatory and that treats similarly situated shippers alike. Transporter is not obligated to provide service at any rate less than the applicable maximum Recourse Rate.

- 3.3 Effective as of the date of commencement of service, as provided for in the Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Rate Schedule each Month, or part thereof, if applicable, the sum of the following:

- (a) the applicable Negotiated or Recourse Reservation Charge, multiplied by Shipper's Contracted Capacity;

- (b) the applicable Negotiated or Recourse Usage Charge, multiplied by either (i) the total quantity actually delivered to the Shipper if OBAs are not in effect for Shipper's receipt and delivery points, or (ii) the scheduled quantity for Shipper's account where OBAs are in effect for Shipper's receipt and delivery points, within Contracted Capacity during the month, pursuant to Shipper's Firm Transportation Agreement, less Fuel Requirement; and
- (c) the Annual Charge Adjustment (ACA) pursuant to GT&C section 26.

4. POINTS OF RECEIPT AND DELIVERY

- 4.1 The Receipt Point(s) at which Transporter shall receive Gas for transportation hereunder shall be those points listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Receipt Point(s). Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2 The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Rate Schedule shall be those points listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Points as Alternate Delivery Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.3 Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to the Firm Transportation Agreement. Except as otherwise agreed to by Transporter and Shipper in a Firm Transportation Agreement:

- (a) Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) where the new point(s) is/are within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery Points, provided mainline firm capacity is available and firm capacity is available at the requested point(s), and subject to prior-in-time pending requests for firm service at the requested points. Where the requested Primary Receipt Point(s) or Primary Delivery Point(s) are not within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery points, Transporter shall agree to a change subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested points, and to the extent Transporter and Shipper agree on an appropriate rate for such service.
- (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
- (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would reduce the reservation charges due under Shipper's Firm Transportation Agreement, or, in Transporter's sole judgment, it would impair Transporter's ability to satisfy existing firm obligations.
- (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Gas Day after acceptance by Transporter of the amended Exhibit A or the Gas Day requested by Shipper.

5. SEGMENTATION

- 5.1 A Shipper may segment its Contracted Capacity, either on a forward haul or backhaul basis, whether for Shipper's own use or through a capacity release, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity on a forward haul basis, (ii) the segmentation nomination(s) is operationally feasible, (iii) there is sufficient forward haul flow to permit a requested segmented backhaul, and (iv) segmented service otherwise complies with Transporter's Tariff, including the use and availability of alternate points pursuant to sections 4.1 and 4.2. Where a Shipper has Contracted Capacity rights in only one Rate Zone, Shipper may segment such capacity only within that Rate Zone.
- 5.2 Shippers using segmented capacity may make forward and backhaul deliveries to the same point. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the initial Transportation Agreement which was segmented. If there are overlapping nominations, and if the Releasing and Replacement Shippers have (a) agreed to a protocol for resolving such overlapping nominations and (b) have provided such protocol to Transporter at the time of the release, Transporter will apply the agreed to protocol. In all other instances of overlapping nominations, a Shipper(s) nominating capacity within its segmented path shall have scheduling priority over a Shipper(s) nominating outside its segmented path. Where two or more Shippers have overlapping nominations due to each nominating outside their respective segmented paths, the conflicting nominations shall be adjusted pro rata based on each Shipper's segmented Contracted Capacity to match the available remaining firm entitlements of the initial Transportation Agreement which was segmented.

6. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of Gas on any Day under this Rate Schedule, Shipper must nominate and schedule in accordance with sections 5 and 6 of the GT&C.

7. OVERRUN QUANTITIES AND IMBALANCES

Overrun quantities and imbalances associated with transportation under this Rate Schedule and Firm Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to section 9 of the GT&C.

8. RESERVATION CHARGE CREDITS

Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 41.

9. RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers.

10. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Firm Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

11. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Firm Transportation Agreement under this Rate Schedule, the GT&C shall control.

Sheet Nos. 36 through 39 are reserved for future use.

RATE SCHEDULE IT-1

INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This IT-1 Rate Schedule is available to any party (hereinafter called "Shipper") for interruptible transportation service under the authority and provisions of Part 284 of the regulations of the Federal Energy Regulatory Commission, provided that:

- 1.1 Transporter determines it has sufficient System Capacity to render the interruptible transportation service and is able to provide said transportation.
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the interruptible transportation service has been completed.
- 1.3 Shipper and Transporter have executed an IT-1 Interruptible Transportation Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.
- 1.4 Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters.
- 1.5 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service hereunder is available on any Day during a Year, and will be interruptible, as provided herein, and pursuant to the Shipper's Interruptible Transportation Agreement and Transporter's GT&C, subject to the availability of capacity, Transporter's operating conditions and system requirements, to the provisions of an effective Interruptible Transportation Agreement, and to the GT&C.
- 2.2 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under its Interruptible Transportation Agreement, or under any Transportation Agreement with Transporter, or under the GT&C.

- 2.3 Transporter shall receive for Shipper's account for Transportation hereunder daily quantities of Gas nominated by Shipper and as scheduled by Transporter, plus an amount reflecting the Fuel Requirement as determined under GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Interruptible Transportation Agreement and the GT&C. Transporter shall deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper, Dths equivalent to the amount of Dths received by Transporter at the Receipt Point(s), as adjusted for fuel.
- 2.4 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule. Transporter is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of transportation service hereunder.

3. RATES AND CHARGES

- 3.1 The applicable maximum and minimum unit rate for service hereunder are set forth in the currently effective Statement of Rates and Charges of this Tariff and are incorporated herein.
- 3.2 Unless Transporter and Shipper agree upon a discounted rate for service provided hereunder, the rate applicable to Shipper for service hereunder shall be the applicable maximum interruptible rate as set forth on the effective Statement of Rates and Charges.
- 3.3 Effective as of the date of commencement of service, as provided for in the Interruptible Transportation Agreement, Transporter shall charge and Shipper shall pay transporter for transportation service under this Rate Schedule and Shipper's Interruptible Transportation Agreement each Month the applicable rate under the Interruptible Transportation Agreement, multiplied by either (i) the total quantity actually delivered to Shipper if OBAs are not in effect for Shipper's receipt and delivery points, or (ii) the Scheduled Quantity for Shipper's account where OBAs are in effect for Shipper's receipt and delivery points, less the Fuel Requirement, during the Month, plus the Annual Charge Adjustment (ACA) pursuant to GT&C section 26.
- 3.4 Nothing in this section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or penalties calculated in accordance with the GT&C.

4. RECEIPT AND DELIVERY POINTS

4.1 The Receipt Point(s) at which Transporter shall receive Gas for transportation hereunder shall be all Receipt Point(s) on Transporter's system.

4.2 The Delivery Point(s) at which Transporter may deliver Gas for Shipper's account under this Rate Schedule shall be all Delivery Point(s) on Transporter's system.

5. NOMINATION AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of Gas on any Day under this Rate Schedule, Shipper must nominate and schedule service in accordance with sections 5 and 6 of the GT&C. If nominations exceed available interruptible transportation service, the available service shall be apportioned, by price from highest to lowest, however a pro rata apportionment (based on the ratio of the confirmed quantity nominated by each individual Shipper and the total confirmed quantity nominated by all Shippers seeking Interruptible transportation service) will be used for Shippers paying the same rate.

6. OVERRUN QUANTITIES AND IMBALANCES

Overrun quantities and imbalances associated with transportation under this Rate Schedule are governed by and resolved pursuant to section 9 of the GT&C.

7. RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to firm Shippers.

8. GOVERNMENTAL AUTHORIZATION

Transportation service under this Rate Schedule and Interruptible Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

9. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or an Interruptible Transportation Agreement under this Rate Schedule, the GT&C shall control.

RATE SCHEDULE PALS-1

PARK AND LOAN SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter called "Shipper"), provided that:

- 1.1 Transporter determines it has sufficient System Capacity to render the authorized service and is able to provide said service.
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the authorized service has been completed.
- 1.3 Shipper and Transporter have executed a PALS-1 Park and Loan Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.
- 1.4 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's Gas Tariff.
- 1.5 Shipper has made a valid request for Park and Loan Service under Rate Schedule PALS-1 by providing the information required in GT&C section 30 as well as the following in writing to Transporter.
 - (a) Requested Receipt/Delivery Point(s), which must be the same point, identified by NAESB Common Code, and by legal description.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to Park and Loan Service performed by Transporter. This service is interruptible in nature. Service rendered under this Rate Schedule will be provided for a minimum of one (1) Day.

- 2.2 Transporter shall establish and maintain a park and loan account for each Shipper utilizing this service.
- 2.3 Transportation of Gas quantities for or on behalf of a Shipper to or from the designated points of service under this Rate Schedule shall not be performed under this Rate Schedule. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver Gas quantities at the designated points of service.
- 2.4 Transporter shall authorize PALS-1 service for any Shipper only if, within Transporter's best operating judgment and discretion, such service is not otherwise expected to prevent Transporter from meeting all of its firm and interruptible service obligations, including Transporter's system needs.
- 2.5 Park and Loan service hereunder shall be subject to scheduling pursuant to GT&C section 6 and priority of service and curtailment pursuant to GT&C section 7, on the same basis as interruptible transportation service.
- 2.6 Park service hereunder shall consist of the following:
 - (a) Service hereunder shall consist of the receipt (park) of Gas by Transporter upon nomination and subsequent confirmation of such daily quantities of Gas as specified in the executed Park and Loan Service Agreement. Quantities of Gas parked with Transporter shall be credited to Shipper's park and loan account.
 - (b) Gas may be parked (stored) for a period up to one calendar month, and such period may be extended with Transporter's permission.
 - (c) Shipper and Transporter shall agree to a delivery (return of parked Gas) schedule stating the daily quantities of Gas Transporter will deliver to Shipper at the location where parked Gas was originally tendered to Transporter by Shipper for the purpose of reducing Shipper's park and loan account to zero. If Transporter, upon nomination by Shipper, fails to schedule quantities of Gas for withdrawal from Shipper's park and loan account for a period of thirty (30) Days, Transporter shall

be obligated to purchase the quantity of parked Gas remaining in Shipper's park and loan account at a price equal to 100% of the monthly contract index as published in Gas Daily for "Alliance, into interstates" applicable for the month in which the thirtieth (30th) Day of curtailment occurs. If Gas Daily is no longer available to Transporter, Transporter shall use S&P Global Market Intelligence for "Alliance".

- (d) Transporter may require Shipper to withdraw all, or any portion, of the Gas quantities parked by Shipper within thirty (30) Days of Transporter's notice to Shipper. Transporter's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. If Shipper fails to arrange for the withdrawal of the parked quantities specified by Transporter in its notice, despite the availability of capacity for the withdrawal of Shipper's Gas under its Park and Loan Service Agreement, Transporter shall take title to that portion of the Gas in Shipper's PALS-1 park and loan account that Shipper was instructed to withdraw, free and clear of any adverse claims. The quantity of Gas to which Transporter takes title shall be credited to Shippers by means of Transporter's Fuel Requirement mechanism, whereby such Gas will be included with the actual Gas retained for system use referenced in GT&C section 11.1(a).
- (e) In those circumstances where it is deemed necessary by Transporter, in its sole discretion, to protect system line pack levels, Transporter may require the withdrawal of quantities of Gas in Shipper's park and loan account within twenty-four (24) hours of notification. In the event Shipper does not cause the withdrawal of Gas within twenty-four (24) hours, Transporter shall have the right to take title to those quantities of Gas in Shipper's park and loan account free and clear of any adverse claims. The quantity of Gas to which Transporter takes title shall be credited to Shippers by means of Transporter's Fuel Requirement mechanism, whereby such Gas will be included with the actual Gas retained for system use referenced in GT&C section 11.1(a).

2.7 Loan service hereunder shall consist of the following:

- (a) Advancement (loan) of Gas to Shipper upon nomination and subsequent confirmation of such daily quantities of Gas as specified in the executed authorized Park and Loan Service Agreement between Transporter and Shipper. Quantities of Gas loaned to Shipper shall be debited to Shipper's park and loan account.

- (b) Shipper and Transporter shall agree to a redelivery (return of loaned Gas) schedule setting out the daily quantities of Gas Shipper will deliver to Transporter at the location where loaned Gas originally was delivered to Shipper for the purpose of reducing the loaned Gas in Shipper's park and loan account to zero.
- (c) Unless Shipper and Transporter mutually agree to an alternative redelivery schedule, if Shipper fails to deliver quantities of Gas as set out in the redelivery schedule, Shipper shall be obligated to purchase such quantities of Gas from Transporter at the price determined as 200% of the daily contract index for "Alliance, into interstates" as published in Gas Daily. If Gas Daily is no longer available to Transporter, Transporter shall use S&P Global Market Intelligence for "Alliance". Any amount received by Transporter from Shipper in excess of 100% of the referenced daily contract index shall be treated as penalty revenue pursuant to GT&C section 9.5.

(d) In those circumstances where it is deemed necessary by Transporter, in its sole discretion, to protect system line pack levels, Transporter may require the injection of quantities of Gas in Shipper's park and loan account within twenty-four (24) hours. In the event Shipper does not cause the injection of Gas within twenty-four (24) hours, Shipper shall be obligated to purchase such quantities of Gas from Transporter at the price determined as two hundred percent (200%) of the daily contract index for "Alliance, into interstates" as published in Gas Daily. If Gas Daily is no longer available to Transporter, Transporter shall use S&P Global Market Intelligence for "Alliance". Any amount received by Transporter from Shipper in excess of 100% of the referenced daily contract index shall be treated as penalty revenue pursuant to GT&C section 9.5.

2.8 Not more than thirty (30) Days after the termination of the Park and Loan Service Agreement executed by Shipper under this Rate Schedule, Transporter will notify Shipper of Shipper's park and loan account balance. If there is a balance remaining, Shipper will nominate for withdrawal such quantities within thirty (30) Days of the date of Transporter's notice.

3. RATES AND BILLING

3.1 The rates and charges payable by Shipper under this Rate Schedule shall include all applicable rates and charges set forth in the currently effective Statement of Rates and Charges of this Tariff. These rates and charges are incorporated herein by reference.

3.2 Transporter may elect to provide service at a rate that is less than the maximum but no less than the minimum rates applicable to this Rate Schedule. However, Transporter is not obligated to provide service at any rate less than the maximum rate, each month, for services provided under Rate Schedule PALS-1.

3.3 Shipper shall pay Transporter each month the product of the quantities of Gas in Shipper's park and loan account, at the end of each Day, times the rate set forth in the effective Park and Loan Service Agreement. If on any Day, Shipper nominates either parked Gas to be withdrawn or loaned Gas to be delivered, but Transporter is unable to schedule all such confirmed quantities as nominated on that Day, Transporter will suspend any applicable rate charges until such time as Transporter schedules the confirmed quantities nominated.

4. REVENUE ALLOCATION AND CREDITING

4.1 Revenues derived from services provided by Transporter under this Rate Schedule PALS-1 shall be treated as interruptible transportation revenues for purposes of revenue allocations and crediting and shall be retained by Transporter.

5. GENERAL TERMS AND CONDITIONS

5.1 All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Park and Loan Service Agreement under this Rate Schedule, the GT&C shall control.

5.2 GT&C section 9 shall apply to the PALS-1 service, except that for purposes of this service the applicable tolerance shall be 10 Dth.

6. OVERRUN AND IMBALANCE QUANTITIES

Overrun quantities and imbalances associated with service under this Rate Schedule are governed by and resolved pursuant to section 9 of the GT&C.

7. RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to firm customers.

8. GOVERNMENTAL AUTHORIZATION

Transportation service under this Rate Schedule and the applicable Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

RATE SCHEDULE TTS

TITLE TRANSFER SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any person or entity ("Customer") for the purchase of Title Transfer Service (or "TTS"), where Vector Pipeline L.P. ("Transporter") and Customer have entered into a Title Transfer Service Agreement ("TTS Agreement") that conforms to the form of Title Transfer Service Agreement contained in this Tariff.
- 1.2 Title Transfer Service shall be made available pursuant to the scheduling provisions of section 6 of the General Terms and Conditions ("GT&C") of Transporter's FERC Tariff, to any Customer that is willing and able to pay either the maximum rates hereunder or such other rate to which Transporter and Customer mutually agree, in accordance with the GT&C. Transporter is not required to provide any requested TTS under this Rate Schedule that would interfere with Transporter's performance of its firm service obligations.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to quantities of Gas for which Transporter performs Title Transfer Service on behalf of Customer under an executed TTS Agreement that conforms to the form of Title Transfer Service Agreement contained in this Tariff. TTS is an administrative service, under which Transporter provides Customer with locations for nomination of title transfers on Transporter's system ("Eligible Points"). Upon nomination by Customer, Transporter shall account for the purchase or sale of a quantity of Gas at the Eligible Point as directed by Customer.
- 2.2 Where applicable, Customer, or its customers, must arrange for Transportation in accordance with Transporter's FERC Gas Tariff under separate service agreements (the "Subject Service Agreements") for physical receipt and/or delivery of natural gas quantities preceding and/or subsequent to title transfers that are tracked pursuant to nominations under this Rate Schedule. The procedures established under this Rate Schedule do not entitle Customer to Transportation or any other service under Transporter's FERC Gas Tariff separate from entitlements under the Subject Service Agreements, nor do they entitle Customer to maintain physical imbalances on Transporter's system.

2.3 Transportation to/from the Eligible Points identified in the TTS Agreement shall be performed in accordance with provisions of the Subject Service Agreements and the terms of this Tariff. In this regard, TTS shall be subject to the character and priority of service that pertains to the transportation services, as reflected in the Subject Service Agreements.

3. RATES

3.1 The rates and charges payable by Customer under this Rate Schedule shall include all applicable rates and charges set forth at the currently effective Statement of Rates and Charges of this Tariff. These rates and charges are incorporated herein by reference.

3.2 Transporter may elect to offer service at a rate that is less than the maximum but no less than the minimum rates applicable to this Rate Schedule. However, Transporter is not obligated to offer to provide service at any rate less than the maximum rate.

4. MONTHLY BILL

4.1 For TTS provided under this Rate Schedule, Customer shall pay Transporter each month the following:

- (a) A charge per transaction for each title transfer.
- (b) Any other applicable rates, charges and penalties as set forth in section 9 of the GT&C of this Tariff, except that for purposes of this service the applicable tolerance shall be 10 Dth.

5. ELIGIBLE POINTS

5.1 Each TTS Agreement shall specify Eligible Points at which Transporter shall permit Customer to nominate title transfers resulting from the purchase and sale of quantities of Gas, subject to adequate corresponding rights under the Subject Service Agreement(s).

6. TITLE TRANSFER SERVICE PROCEDURES

6.1 General Procedure.

- (a) For any Day when Customer desires Transporter to track a title transfer for Customer's account under this Rate Schedule, Customer shall nominate to Transporter in accordance with section 5 of the GT&C of this Tariff, specifying:

- (1) the quantity of Gas subject to the title transfer,
- (2) the selling and/or purchasing parties,
- (3) the desired Eligible Point, and
- (4) such other information as may be required by Transporter to effect the title transfer service.

(b) When Customer's nomination is confirmed as required by section 5 of the GT&C, subject to the limitations set forth in this Rate Schedule, such quantity shall constitute a TTS Quantity at that Eligible Point.

6.2 Customer may deliver or receive its TTS quantities from Transporter at a location other than the applicable Eligible Point, by nominating any other transportation service entitlements Customer may have with Transporter.

6.3 Customer is required to nominate an equal quantity of Gas for sale and for purchase under TTS at each Eligible Point, on each and every Day per transaction.

7. REVENUE ALLOCATION AND CREDITING

7.1 Revenues derived from services provided by Transporter under this Rate Schedule TTS shall be treated as system management services revenues for purposes of revenue allocations and crediting, and thus will be retained by Transporter.

8. GENERAL TERMS AND CONDITIONS

8.1 All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule where relevant, unless otherwise expressed in the executed Title Transfer Service Agreement between Transporter and Customer. Any future modifications, additions or deletions to said GT&C, unless otherwise provided, are applicable to Title Transfer Service rendered under this Rate Schedule TTS, and are made a part hereof by reference.

RATE SCHEDULE MBA

Management of Balancing Agreement Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereafter called "Balancing Provider") who contracts with a Shipper or another party (hereafter called "Balancing Customer") for the purpose of providing Balancing Customer with balancing services. At the request, and under the direction of, Balancing Provider, Transporter will manage the balancing service, provided that:

- 1.1 Balancing Provider has entered into a Management of Balancing Agreement ("MBA Agreement") in the form contained in Transporter's Gas Tariff for service under this rate schedule.
- 1.2 Balancing Provider has entered into a balancing agreement with Balancing Customer, and has provided the same to Transporter for it to determine that the terms and conditions are (i) not inconsistent with Transporter's Gas Tariff, except as may be noted herein, (ii) operationally and administratively feasible for Transporter to manage, and (iii) are otherwise acceptable to Transporter.
- 1.3 Balancing Provider can provide Transporter with the receipt of Gas or the delivery of Gas at point(s) (hereafter called "Balancing Point(s)") which are at or downstream of the point that is balanced (hereafter called "Market Point") on behalf of Balancing Customer. Such Balancing Point(s) may include point(s) in Canada on Transporter's interconnected affiliate pipeline, Vector Pipeline Limited Partnership.
- 1.4 Balancing Provider provides Transporter with (i) written proof of its access to and/or control of the Balancing Point(s) and Market Point at which the balancing will take place, (ii) the names and methods of communicating with persons who are authorized to act for Balancing Provider and whom Transporter can contact for purposes of managing the balancing service.
- 1.5 Balancing Provider has satisfied the creditworthiness criteria in section 31 of the GT&C of Transporter's Gas Tariff.
- 1.6 Balancing Provider has in effect a Transportation Agreement(s) under Rate Schedules FT-1, FT-L, FT-H, or IT-1 (hereafter called "Associated Transportation Agreement(s)") and represents and undertakes to tender to Transporter for transportation pursuant to that Associated Transportation Agreement(s) such quantities of Gas as may be required for purposes of performing the requested balancing service at an hourly quantity that is equal to or

greater than the hourly Gas quantities required under the MBA Agreement. Such Gas quantities tendered for transportation by Balancing Provider under the Associated Transportation Agreement(s) will be designated for delivery at a Delivery Point(s) that is at or beyond the Balancing Point(s) under the MBA Agreement. Such Delivery Point(s) may be located in Canada on Transporter's interconnected affiliate pipeline, Vector Pipeline Limited Partnership.

- 1.7 Where Rate Schedule PALS-1 is to be used as a Balancing Point, Balancing Provider must have in effect a PALS-1 Park and Loan Service Agreement, which will operate pursuant to section 2.7 of Rate Schedule MBA.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to Management of Balancing Service where Transporter manages a balancing agreement that a Balancing Provider has entered into with a Balancing Customer.
- 2.2 Balancing Provider shall either itself be physically connected to Transporter's system, or have contractual rights to capacity on Transporter's system or at an interconnect with Transporter's system.
- 2.3 Because Balancing Provider cannot control the physical flow of Gas both into and off Transporter's system, Transporter will manage the physical flow of Gas receipts and deliveries on its system at the Balancing Point(s) and Market Point for the purpose of maintaining acceptable line pack within Transporter's system.
- 2.4 Balancing Provider is responsible for ensuring it has sufficient quantities of Gas scheduled under its Associated Transportation Agreement(s) at or beyond the Market Point and Balancing Point(s) at any point in time during the Gas Day on Transporter's system to meet or exceed the balancing requirements under the MBA Agreement. The Management of Balancing Service under this MBA Agreement will be limited to a maximum hourly quantity not to exceed the hourly rates of flow under the Associated Transportation Agreement(s).
- 2.5 Balancing Provider must designate Receipt and Delivery Point(s) under its Associated Transportation Agreement(s) that will allow the physical flow of Gas sufficient to satisfy the requirements of the MBA Agreement.
- 2.6 The terms of GT&C section 17 shall apply to the Associated Transportation Agreement(s).

2.7 The balancing service pursuant to this Rate Schedule will operate as follows:

- (a) Balancing Provider shall first make a nomination pursuant to GT&C section 5 under its Associated Transportation Agreement(s) prior to requesting service on any Day under its MBA Agreement.
- (b) At such time as Balancing Customer either desires to initiate service on any Day under the MBA Agreement or requires a change in the quantity of deliveries during a part of any Gas Day, Balancing Provider will nominate to Transporter via QuickNom™ no less than one (1) hour prior to the time requested for service or change, unless agreed otherwise by Transporter, of (i) the time when such service or change in deliveries should take place, (ii) the amount of deliveries requested, and (iii) the duration in hours of the requested service or change. Transporter shall provide its confirmation of the nomination within one (1) hour after receipt of Balancing Provider's nomination, unless agreed otherwise by Balancing Provider. At no time shall Transporter be required to provide service under this Rate Schedule until Transporter has received appropriate confirmation from the upstream and/or downstream operators at the respective Balancing Point(s) and Market Point. Any change requested by Balancing Provider in the quantity of Gas to be delivered during part of a Gas Day shall not result in deliveries to a Market Point (i) in excess of the hourly rates of flow under its Associated Transportation Agreement(s) and (ii) in excess of Balancing Provider's Contracted Capacity under its Associated Transportation Agreement(s).
- (c) When Balancing Provider requests a change in the quantity of Gas to be delivered to a Market Point during part of a Gas Day, Balancing Provider also shall request the appropriate change to the quantities of Gas received or delivered to the Balancing Point(s), unless alternative scheduling arrangements have been agreed to by Transporter. At no time shall Transporter be required to provide service under this Rate Schedule until Transporter has received appropriate confirmation of a change in the quantity of Gas to be received at the Balancing Point(s), provided that Transporter may elect to do so to the extent operational conditions permit and no other Shippers are adversely affected.

- 2.8 Any quantity change to deliveries requested at a Market Point shall be designated as a delivery to an Alternate Delivery Point, and at a Balancing Point(s) shall be designated as a receipt to an Alternate Receipt Point, for purposes of Priority of Service and Curtailment under section 7 of the GT&C and shall comply with all NAESB standards.
- 2.9 In the event more than one Balancing Provider is providing balancing service at the same Market Point, the point operator of that Market Point shall provide Transporter with a predetermined allocation.
- 2.10 Where Balancing Provider fails, after confirmation by Transporter in section 2.7(b), to provide for the receipt or delivery of sufficient quantities of Gas to effectuate a requested balancing service at a Market Point, Balancing Provider shall be deemed responsible for any resultant charges under the GT&C, including under GT&C section 16, should Transporter issue an operational flow order. To the extent Balancing Provider causes an imbalance quantity in excess of the maximum imbalance coverage per Day set forth in the MBA Agreement, Transporter may terminate the MBA Agreement without further notice. Such termination will not relieve Balancing Provider of its liabilities under this Rate Schedule, or such other lawful remedies as Transporter may pursue.

3. RATES

3.1 Balancing Provider shall pay Transporter each month for services provided under this Rate Schedule. Transporter may elect to provide service at a rate that is less than the maximum, but no less than the minimum, rates applicable to this Rate Schedule. However, Transporter is not obligated to offer to provide service at any rate less than the maximum rate.

3.2 The rate for this service shall be applied to all quantities managed under this service.

4. REVENUE ALLOCATION AND CREDITING

4.1 Revenues derived from services provided by Transporter under this Rate Schedule MBA shall be treated as system management services revenues for purposes of revenue allocations and crediting and shall be retained by Transporter.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

5.1 Service under this Rate Schedule requires that Balancing Provider nominate deliveries under its Associated Transportation Agreement(s) consistent with the requirements of GT&C section 5.

5.2 Requested changes by Balancing Provider to the delivery of Gas quantities under this MBA Agreement during a Gas Day need not be nominated under GT&C section 5. Such requests will be managed and coordinated by Transporter with Balancing Provider according to the procedures in section 2.7(b-c) of this Rate Schedule.

6. GENERAL TERMS AND CONDITIONS

- 6.1 All of the GT&C of Transporter's Tariff, of which this Rate Schedule is a part, are applicable to this Rate Schedule, unless otherwise expressed in this Rate Schedule or the executed MBA Agreement between Transporter and Balancing Provider. Any future modifications, additions, or deletions to said GT&C, unless otherwise provided, are applicable to Management of Balancing Agreement Service rendered under this Rate Schedule MBA, and are made a part hereof by reference.
- 6.2 Balancing Provider is solely responsible for obtaining and maintaining any statutory or regulatory authorizations, permits, or licenses required to undertake and perform pursuant to the MBA Agreement between Transporter and Balancing Provider and/or the balancing agreement between Balancing Provider and Balancing Customer.
- 6.3 Transporter shall have no liability or obligation, other than as stated in this Rate Schedule and the MBA Agreement, to Balancing Provider and Balancing Customer, and Balancing Provider and Balancing Customer independently indemnify Transporter from and against all losses, damages, expenses, claims, actions or proceedings threatened, incurred, or initiated in connection with service rendered under the MBA Agreement as a result of Transporter's reliance on Balancing Provider to perform under the MBA Agreement.

Sheet No. 56 reserved for future use.

RATE SCHEDULE FT-L

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This FT-L Rate Schedule is available to any party (hereinafter called "Shipper"), for firm transportation service under the authority and provisions of Part 284 of the regulations of the Commission, provided that:

- 1.1 Transporter determines it has sufficient System Capacity to render the firm transportation service and is able to provide said transportation.
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
- 1.3 Shipper and Transporter have executed a FT-L Limited Firm Transportation Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.
- 1.4 Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters.
- 1.5 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of Transporter's system, shall be firm, subject to Transporter's right not to schedule service in whole or in part on any Day but not more than ten (10) Days in each Month and subject to the provisions of an effective FT-L Limited Firm Transportation Agreement and to the GT&C.
- 2.2 On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GT&C. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 7 of the GT&C.
- 2.3 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under its Firm Transportation Agreement or the GT&C.

- 2.4 Transporter shall receive for Shipper's account for transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement.

Transporter shall deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed at Exhibit A to Shipper's Firm Transportation Agreement, Dths equivalent to the amount of Dths received by Transporter at the Receipt Point(s), less Fuel Requirement.

- 2.5 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule.
- 2.6 If Transporter receives an acceptable request for firm Transportation Service pursuant to Rate Schedule FT-1 or FT-H that can only be provided by reducing the Contract Quantity under this Rate Schedule, Transporter shall notify the Shipper(s) that has the lowest net value of service, as computed per GT&C section 30.2(a) and (b), under this Rate Schedule of the reductions in its or their Contract Quantity under this Rate Schedule which are necessary to furnish Transportation Service under Rate Schedule FT-1 or FT-H. Such reduction(s) shall be made on the date(s) specified in such notification, which date(s) shall be no less than thirty (30) Days after the date of such notification. Such notified Shipper(s) under this Rate Schedule may, within said thirty (30) Days, convert that portion of service provided under this Rate Schedule which is equal to such reduction, to service under Rate Schedule FT-1 or FT-H, by executing a Transportation Agreement under Rate Schedule FT-1 or FT-H, which conversion shall have priority over the pending request for service under Rate Schedule FT-1 or FT-H, which caused such notification, assuming such Rate Schedule FT-L Shipper agrees to service under Rate Schedule FT-1 or FT-H, that will have a net present value that equals or exceeds the net present value of the Rate Schedule FT-1 or FT-H pending request, or such notified Shipper(s) may convert that portion of service provided under this Rate Schedule which is equal to such reduction to service under Rate Schedule IT-1 by executing a Transportation Agreement for such service, or such notified Shipper(s) may terminate any remaining portion of service provided under this Rate Schedule.

3. RATES AND CHARGES

- 3.1 The applicable maximum and minimum rate for services hereunder are set forth in the currently effective Statement of Rates and Charges of this Tariff and are incorporated herein.
- 3.2 Unless Transporter and Shipper agree to a discounted Recourse Rate or Negotiated Rate for service provided hereunder, the rates applicable to Shipper for service hereunder shall be the applicable maximum Recourse Rates as set forth on the effective Statement of Rates and Charges. In negotiating rates with a Shipper, Transporter shall negotiate rates in a manner that is not unduly discriminatory and that treats similarly situated shippers alike. Transporter is not obligated to provide service at any rate less than the applicable maximum Recourse Rate.
- 3.3 Effective as of the date of commencement of service, as provided for in the Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Rate Schedule each Month, or part thereof, if applicable, the sum of the following:
- (a) the applicable Negotiated or Recourse Reservation Charge, multiplied by Shipper's Contracted Capacity;
 - (b) the applicable Negotiated or Recourse Usage Charge, multiplied by either (i) the total quantity actually delivered to the Shipper if OBAs are not in effect for Shipper's receipt and delivery points, or (ii) the scheduled quantity for Shipper's account where OBAs are in effect for Shipper's receipt and delivery points, within Contracted Capacity during the month, pursuant to Shipper's Firm Transportation Agreement, less Fuel Requirement;
 - (c) the Annual Charge Adjustment (ACA) pursuant to GT&C section 26; and
 - (d) any charges due as Authorized Overrun pursuant to section 9.2(a) per agreement by Transporter for service rendered on Days when Shipper's service under this Rate Schedule has been interrupted by Transporter.

4. POINTS OF RECEIPT AND DELIVERY

- 4.1 The Receipt Point(s) at which Transporter shall receive Gas for transportation hereunder shall be those points listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Receipt Point(s). Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2 The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Rate Schedule shall be those points listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Points as Alternate Delivery Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.3 Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to the Firm Transportation Agreement. Except as otherwise agreed to by Transporter and Shipper in a Firm Transportation Agreement:
- (a) Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) where the new point(s) is/are within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery Points, provided mainline firm capacity is available and firm capacity is available at the requested point(s), and subject to prior-in-time pending requests for firm service at the requested points. Where the requested Primary Receipt Point(s) or Primary Delivery Point(s) are not within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery points, Transporter shall agree to a change subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested points, and to the extent Transporter and Shipper agree on an appropriate rate for such service.

- (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
- (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would reduce the reservation charges due under Shipper's Firm Transportation Agreement, or, in Transporter's sole judgment, it would impair Transporter's ability to satisfy existing firm obligations.
- (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit to Shipper's Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Gas Day after acceptance by Transporter of the amended Exhibit A or the Gas Day requested by Shipper.

5. SEGMENTATION

- 5.1 A Shipper may segment its Contracted Capacity, either on a forward haul or backhaul basis, whether for Shipper's own use or through a capacity release, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity on a forward haul basis, (ii) the segmentation nomination(s) is operationally feasible, (iii) there is sufficient forward haul flow to permit a requested segmented backhaul, and (iv) segmented service otherwise complies with Transporter's Tariff, including the use and availability of alternate points pursuant to sections 4.1 and 4.2. Where a Shipper has Contracted Capacity rights in only one Rate Zone, Shipper may segment such capacity only within that Rate Zone.

5.2 Shippers using segmented capacity may make forward and backhaul deliveries to the same point. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the initial Transportation Agreement which was segmented. If there are overlapping nominations, and if the Releasing and Replacement Shippers have (a) agreed to a protocol for resolving such overlapping nominations and (b) have provided such protocol to Transporter at the time of the release, Transporter will apply the agreed to protocol. In all other instances of overlapping nominations, a Shipper(s) nominating capacity within its segmented path shall have scheduling priority over a Shipper(s) nominating outside its segmented path. Where two or more Shippers have overlapping nominations due to each nominating outside their respective segmented paths, the conflicting nominations shall be adjusted pro rata based on each Shipper's segmented Contracted Capacity to match the available remaining firm entitlements of the initial Transportation Agreement which was segmented.

6. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of Gas on any Day under this Rate Schedule, Shipper must nominate and schedule in accordance with sections 5 and 6 of the GT&C.

7. OVERRUN QUANTITIES AND IMBALANCES

Overrun quantities and imbalances associated with transportation under this Rate Schedule and Firm Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to section 9 of the GT&C.

8. RESERVATION CHARGE CREDITS

If, after exceeding the ten (10) Days in a Month where Transporter has the right not to schedule service in whole or in part, Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 41.

9. RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers.

10. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Firm Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

11. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Firm Transportation Agreement under this Rate Schedule, the GT&C shall control.

RATE SCHEDULE FT-H

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This FT-H Rate Schedule is available to any party (hereinafter called "Shipper"), for firm transportation service under the authority and provisions of Part 284 of the regulations of the Commission, provided that:

- 1.1 Transporter determines it has sufficient System Capacity to render the firm transportation service and is able to provide said transportation.
- 1.2 Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.
- 1.3 Shipper and Transporter have executed a FT-H Hourly Firm Transportation Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.
- 1.4 Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters.
- 1.5 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.
- 1.6 Shipper receives Gas from Transporter at a physical Delivery point, which is directly connected to Transporter's system, equipped with a flow control device and electronic Gas measurement equipment capable of verifying changes in Gas flow on a real-time basis.
- 1.7 Transporter has not entered into a FT-H Hourly Firm Transportation Agreement with any other shipper at the Delivery Point.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of Transporter's system, shall be firm, subject to the provisions of an effective FT-H Hourly Firm Transportation Agreement and to the GT&C.

- 2.2 On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GT&C and/or Section 2.7 of this Rate Schedule, as applicable. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 7 of the GT&C.
- 2.3 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under its Firm Transportation Agreement or the GT&C.
- 2.4 Transporter shall receive for Shipper's account for transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement.
- Transporter shall deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed at Exhibit A to Shipper's Firm Transportation Agreement, Dths equivalent to the amount of Dths received by Transporter at the Receipt Point(s), less Fuel Requirement.
- 2.5 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule.
- 2.6 Shipper may elect to deliver and receive up to the Maximum Hourly Delivery Quantity of its Contracted Capacity. Shipper's "Maximum Hourly Delivery Quantity" shall be the Contracted Capacity divided by the specified Hourly Delivery Period set forth in the Firm Transportation Agreement. The "Hourly Delivery Period" shall be not less than four (4) hours or greater than twenty (20) hours. Unless agreed otherwise by Transporter, Shipper shall concurrently provide and take the Gas per the confirmed nomination profile stated on an hourly basis, but not to exceed either the Maximum Hourly Delivery Quantity or its Contracted Capacity.
- 2.7 At such time as Shipper either desires to initiate service on any Day under the Agreement or requires a change in the quantity of deliveries during a part of any Gas Day, Shipper will either notify Transporter via QuickNom™ at least one (1) hour prior to the time requested for such initiation or change in service under this Rate Schedule or use the nomination timeline provisions of section 5.2 of the GT&C, unless agreed otherwise by Transporter. Transporter shall provide its

confirmation of the nomination within one (1) hour after receipt of Shipper's nomination, unless agreed otherwise by Shipper. At no time shall Transporter be required to provide service under this Rate Schedule until Transporter has received appropriate confirmation from the upstream and/or downstream operators at the respective Receipt Point(s) and Delivery Point(s), provided that Transporter may elect to do so to the extent operational conditions permit and no other shippers are adversely affected.

- 2.8 To the extent Transporter provides service hereunder by displacement of Gas received downstream of the Delivery Point(s), Transporter's obligation shall be limited to the displacement capability of Transporter's system during the specified hourly period.

3. RATES AND CHARGES

- 3.1 The applicable maximum and minimum rate for services hereunder are set forth in the currently effective Statement of Rates and Charges of this Tariff and are incorporated herein.
- 3.2 Unless Transporter and Shipper agree to a discounted Recourse Rate or Negotiated Rate for service provided hereunder, the rates applicable to Shipper for service hereunder shall be the maximum Recourse Rates as set forth on the effective Statement of Rates and Charges. In negotiating rates with a Shipper, Transporter shall negotiate rates in a manner that is not unduly discriminatory and that treats similarly situated shippers alike. Transporter is not obligated to provide service at any rate less than the applicable maximum Recourse Rate.
- 3.3 Effective as of the date of commencement of service, as provided for in the Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Rate Schedule each Month, or part thereof, if applicable, the sum of the following:
- (a) the applicable Negotiated or Recourse Reservation Charge, multiplied by Shipper's Contracted Capacity, with the product multiplied by an hourly factor equal to twenty-four (24) divided by the Hourly Delivery Period as set forth in the Firm Transportation Agreement;
 - (b) the applicable Negotiated or Recourse Usage Charge, multiplied by either (i) the total quantity actually delivered to the Shipper if OBAs are not in effect for Shipper's receipt and delivery points, or (ii) the scheduled quantity for Shipper's account where OBAs are in effect for Shipper's receipt and delivery points, within Contracted Capacity during the month, pursuant to Shipper's Firm Transportation Agreement, less Fuel Requirement; and

(c) the Annual Charge Adjustment (ACA) pursuant to GT&C section 26.

4. POINTS OF RECEIPT AND DELIVERY

- 4.1 The Receipt Point(s) at which Transporter shall receive Gas for transportation hereunder shall be those points listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Receipt Point(s). Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.2 The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Rate Schedule shall be the point listed in Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Delivery Point. Shipper shall have the right to utilize all other Delivery Points as Alternate Delivery Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.
- 4.3 Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to the Firm Transportation Agreement. Except as otherwise agreed to by Transporter and Shipper in a Firm Transportation Agreement:
- (a) Transporter shall, subject to section 1.7, agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) where the new point(s) is/are within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery Points, provided mainline firm capacity is available and firm capacity is available at the requested point(s), and subject to prior-in-time pending requests for firm service at the requested points. Where the requested Primary Receipt Point(s) or Primary Delivery Point(s) are not within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery points, Transporter shall agree to a change subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested points, and to the extent Transporter and Shipper agree on an appropriate rate for such service.

- (b) Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper's Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.
- (c) Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would reduce the reservation charges due under Shipper's Firm Transportation Agreement, or, in Transporter's sole judgment, it would impair Transporter's ability to satisfy existing firm obligations.
- (d) To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Gas Day after acceptance by Transporter of the amended Exhibit A or the Gas Day requested by Shipper.

5. SEGMENTATION

- 5.1 A Shipper may segment its Contracted Capacity, either on a forward haul or backhaul basis, whether for Shipper's own use or through a capacity release, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity on a forward haul basis, (ii) the segmentation nomination(s) is operationally feasible, (iii) there is sufficient forward haul flow to permit a requested segmented backhaul, and (iv) segmented service otherwise complies with Transporter's Tariff, including the use and availability of alternate points pursuant to sections 4.1 and 4.2. Where a Shipper has Contracted Capacity rights in only one Rate Zone, Shipper may segment such capacity only within that Rate Zone.

5.2 Shippers using segmented capacity may make forward and backhaul deliveries to the same point. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the initial Transportation Agreement which was segmented. If there are overlapping nominations, and if the Releasing and Replacement Shippers have (a) agreed to a protocol for resolving such overlapping nominations and (b) have provided such protocol to Transporter at the time of the release, Transporter will apply the agreed to protocol. In all other instances of overlapping nominations, a Shipper(s) nominating capacity within its segmented path shall have scheduling priority over a Shipper(s) nominating outside its segmented path. Where two or more Shippers have overlapping nominations due to each nominating outside their respective segmented paths, the conflicting nominations shall be adjusted pro rata based on each Shipper's segmented Contracted Capacity to match the available remaining firm entitlements of the initial Transportation Agreement which was segmented.

6. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of Gas on any Day under this Rate Schedule, Shipper must nominate and schedule in accordance with sections 5 and 6 of the GT&C and/or section 2.7 under this Rate Schedule, as applicable.

7. OVERRUN QUANTITIES AND IMBALANCES

Overrun quantities and imbalances associated with transportation under this Rate Schedule and Firm Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to section 9 of the GT&C. Overrun quantities shall be calculated as the greater of (i) daily quantities transported in excess of Contract Capacity, or (ii) hourly quantities transported in excess of the Maximum Hourly Delivery Quantity shown in Exhibit A to Shipper's Firm Transportation Agreement.

8. RESERVATION CHARGE CREDITS

Reservation Charge credits shall be provided by Transporter to a Shipper consistent with the terms of GT&C section 41.

9. RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers.

10. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Firm Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

11. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Firm Transportation Agreement under this Rate Schedule, the GT&C shall control.