

Rates Schedules

Description	Sheet Nos.	Revision	Effective Date
Statement of Transportation Rates	4	Twelfth Revised Sheet No. 4	October 1, 2004
Firm Transportation Service T-1	90	Original Sheet No. 90	October 1, 1990
Firm Transportation Service T-1	91	Original Sheet No. 91	October 1, 1990
Firm Transportation Service T-1	92	Original Sheet No. 92	October 1, 1990
Firm Transportation Service T-1	93	Original Sheet No. 93	October 1, 1990
Firm Transportation Service T-1	94	First Revised Sheet No. 94	November 1, 2002
Firm Transportation Service T-1	95	Third Revised Sheet No. 95	September 1, 1994
Firm Transportation Service FTS	100	First Revised Sheet No. 100	November 1, 1993
Firm Transportation Service FTS	100A	Original Sheet No.100A	November 1, 1993
Firm Transportation Service FTS	100B	Original Sheet No.100B	November 1, 1993
Firm Transportation Service FTS	101	First Revised Sheet No.101	November 1, 1993
Firm Transportation Service FTS	102	Third Revised Sheet No. 102	December 7, 2003
Firm Transportation Service FTS	103	Second Revised Sheet No. 103	August 1, 1994
Firm Transportation Service FTS	104	First Revised Sheet No. 104	August 1, 1994
Firm Transportation Service FTS	105	First Revised Sheet No. 105	November 1, 1993
Firm Transportation Service FTS	106	Original Sheet No. 106	October 1, 1990
Firm Transportation Service FTS	107	First Revised Sheet No. 107	June 1, 1997
Firm Transportation Service FTS	107A	Third Revised Sheet No. 107A	October 1, 2002
Firm Transportation Service FTS	107B	First Revised Sheet No. 107B	November 1, 1997
Firm Transportation Service FTS	108	Second Revised Sheet No. 108	November 1, 2002
Firm Transportation Service FTS	108A	Third Revised Sheet No. 108A	July 1, 2003
Firm Transportation Service FTS	109	Second Revised Sheet No. 109	March 1, 2003
Firm Transportation Service FTS	110	First Revised Sheet No. 110	March 1, 2003
Firm Transportation Service FTS	111	Third Revised Sheet No. 111	March 1, 2003
Firm Transportation Service FTS	112	Fourth Revised Sheet No. 112	November 2, 1998
Firm Transportation Service FTS	112A	Second Revised Sheet No. 112A	November 2, 1998
Firm Transportation Service FTS	113	Second Revised Sheet No. 113	November 2, 1998
Firm Transportation Service FTS	114	Original Sheet No. 114	October 1, 1990
Interruptible Transportation Service ITS	125	Original Sheet No. 125	October 1, 1990
Interruptible Transportation Service ITS	126	Original Sheet No. 126	October 1, 1990
Interruptible Transportation Service ITS	127	Fourth Revised Sheet No. 127	December 7, 2003
Interruptible Transportation Service ITS	128	First Revised Sheet No. 128	August 1, 1994
Interruptible Transportation Service ITS	129	Second Revised Sheet No. 129	August 1, 1994
Interruptible Transportation Service ITS	130	First Revised Sheet No. 130	November 1, 1993
Interruptible Transportation Service ITS	131	Original Sheet No. 131	October 1, 1990
Interruptible Transportation Service ITS	132	Third Revised Sheet No. 132	October 1, 2002
Interruptible Transportation Service ITS	132A	Second Revised Sheet No. 132A	November 1, 2002
Interruptible Transportation Service ITS	132B	Second Revised Sheet No. 132B	October 1, 2002
Interruptible Transportation Service ITS	133	First Revised Sheet No. 133	March 1, 2003

Interruptible Transportation Service ITS	134	Second Revised Sheet No. 134	March 1, 2003
Interruptible Transportation Service ITS	135	Third Revised Sheet No. 135	March 1, 2003
Interruptible Transportation Service ITS	137	Second Revised Sheet No. 137	November 2, 1998
Interruptible Transportation Service ITS	138	Original Sheet No. 138	October 1, 1990

First Revised Volume No. 1

[Sheet Index Table](#)   [RP02-568-000](#)

Second Revised Sheet No. 0 : Effective

Superseding: First Revised Sheet No. 0

FERC GAS TARIFF

First Revised Volume No. 1
(Supersedes Original Volume No. 1)

of

BLACK MARLIN PIPELINE COMPANY

filed with

Federal Energy Regulatory Commission

Communications concerning this Tariff should be addressed to:

Dan McVay, Director Commercial Operations

Black Marlin Pipeline Company

P.O. Box 1396
Houston, Texas 77251-1396 OR
2800 Post Oak Blvd.
Houston, TX 77056

Telephone: 713-215-3031

Electronic Mail: dan.mcvay@williams.com

Third Revised Sheet No. 1 : Effective

Superseding: Second Revised Sheet No. 1

T A B L E O F C O N T E N T S

First Revised Volume No. 1	Sheet No.
Preliminary Statement	2
Maps	3
Statement of Rates	4
Rates Schedules:	
T-1	90
FTS-Firm Transportation Service	100
ITS - Interruptible Transportation Service	125
General Terms and Conditions	200
Form of Service Agreements	
Firm Transportation Service	300
Interruptible Transportation Service	307

Second Revised Sheet No. 2 : Effective

Superseding: First Revised Sheet No. 2

PRELIMINARY STATEMENT

Black Marlin Pipeline Company ("Black Marlin") owns and operates an offshore system, "Offshore System", which includes a sixteen-inch diameter gas pipeline located offshore Texas and extending from a point offshore in High Island Area Block 136 to Black Marlin's onshore terminal facility located at Texas City, Texas. A sixteen-inch diameter extension of this pipeline extends from High Island Block A-6 to a point of interconnection with the above-described pipeline in High Island Block 137.

Black Marlin is engaged primarily in the transportation of natural gas for other companies through its facilities, and is subject to the jurisdiction of the Federal Energy Regulatory Commission.

This FERC Gas Tariff is filed in compliance with Part 154, Subchapter E, Chapter I, Title 1, of the Code of Federal Regulations, constituting a portion of the regulations of the Federal Energy Regulatory Commission.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 3 : Effective

THIS SHEET CONTAINS GAS
TRANSMISSION SYSTEM MAP

[Sheet Index Table](#)    [RP00-457-000](#)

First Revised Sheet No. 3A : Effective

Superseding: Original Sheet No. 3A

Reserved for Future Use

[Sheet Index Table](#)    [RP04-555-001](#)

Twelfth Revised Sheet No. 4 : Effective

Superseding: Tenth Revised Sheet No. 4

STATEMENT OF RATES

Currently Effective Rates
For Transportation of Natural Gas
Under Rate Schedules Contained in This
FERC Gas Tariff, First Revised Volume No. 1

(Rates - ¢ per MMBtu)

Rate Schedule	Section	Description	Currently Effective Rates
T-1	3	Reservation Fee	8.93
		Commodity Rate	0.07
		Authorized Over-Run Rate	9.00
FTS	3	Reservation Fee	
		Maximum	8.93
		Minimum	0.00
		Commodity Rate	
		Maximum	0.07
		Minimum	0.07
ITS	3	Commodity Rate	
		Maximum	9.00
		Minimum	0.07
ACA	3	Annual Charge Adjustment	0.19

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 5-89 : Effective

Original Sheet Nos. 5 through 89

Have Been Reserved for Future Use

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 90 : Effective

RATE SCHEDULE T-1
Transportation Service

1. AVAILABILITY

This rate schedule is available to any company (hereinafter called

"Shipper") for the transportation of natural gas by Black Marlin Pipeline Company (hereinafter called "Transporter") through Transporter's Gulf Coast pipeline facilities:

- (a) when Transporter and Shipper have an executed service agreement for service under this rate schedule; or
- (b) to Phillips Petroleum Company, and to Union Carbide Corporation (each of which is also referred to as "Shipper") during the period that transportation service is being rendered to such companies after termination of pre-existing contracts, and until service agreements are executed.

This rate schedule is not available to any company to whom service is being or is to be rendered pursuant to Section 311(a)(1) of the Natural Gas Policy Act of 1978.




2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to all gas transported by Transporter for Shipper under this rate schedule.

Service rendered by Transporter for Shipper under this rate schedule shall consist of:

- (a) the receipt by Transporter for the account of Shipper of Shipper's gas at Shipper's Point of Receipt;
- (b) the delivery of gas after transportation by Transporter for the account of Shipper either at Transporter's terminal facilities at Texas City, Texas, or at such other Point of Delivery as may be specified by the executed Service Agreement or by this rate schedule.

Transportation service rendered by Transporter to Shipper under this rate schedule, up to Shipper's Daily Contract Quantity, shall be considered to be firm.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 91 : Effective

RATE SCHEDULE T-1 Transportation Service (continued)

3. RATE

The applicable rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 4 of this tariff and are hereby incorporated herein.

For all natural gas service rendered hereunder, Shipper shall pay Transporter each month the sum of the maximum charges listed below if applicable:

Reservation Charge - The Maximum Reservation Fee multiplied by Daily Contract Quantity multiplied by the number of days in such month. The Maximum Reservation Fee shall be subject to adjustment as provided by Section 5 of this rate schedule.

Commodity Charge - The Maximum Commodity Rate for Rate Schedule T-1 multiplied by the quantity of gas in Mcf received by Transporter for Shipper in such month.




Authorized Over-Run Charge - The Authorized Over-Run Rate multiplied by the monthly volumes in excess of its Daily Contract Quantity as defined in Section 6 of this rate schedule, received by Transporter to Shipper or for its account during the billing month in question.

Annual Charge Adjustment - The Annual Charge Adjustment unit rate multiplied by the quantity of gas in Mcf received to or for the account of Shipper by Transporter during the billing month in question.

Incidental Charges - Shipper shall reimburse Transporter for incidental charges incurred by Transporter in providing this service. Such charges may include only: (i) reporting or filing fees, (ii) costs of construction or acquisition of new facilities necessary to render service, to the extent agreed to by Transporter and Shipper, and (iii) other such charges as may be authorized by the Commission. Transporter shall not recover any charges recovered under this paragraph in a Natural Gas Act Section 4 rate proceeding.

4. MINIMUM BILL

None, other than the amount computed pursuant to Section 3 of this Rate Schedule.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 92 : Effective

RATE SCHEDULE T-1 Transportation Service (continued)

5. BILLING ADJUSTMENT FOR FAILURE TO TRANSPORT

If, on any day during the month, Transporter fails to accept the quantity of gas tendered by Shipper for transportation under this rate schedule on such day up to Shipper's Daily Contract Quantity, and the gas so tendered complies with and meets the provisions of this tariff with respect thereto, the monthly charge otherwise computed shall be decreased by an amount computed as the product of (a) and (b) below:




- (a) the quantity in Mcf of gas tendered, but not accepted, up to, but not exceeding, Shipper's Daily Contract Quantity;
- (b) the Maximum Reservation Fee.

6. SHIPPER'S DAILY CONTRACT QUANTITY

Shipper's Daily Contract Quantity shall be the maximum quantity of natural gas in Mcf which Transporter shall be obligated to receive from Shipper (or for Shipper's account) at Shipper's Point of Receipt on any day for transportation under this rate schedule. Shipper's Daily Contract Quantity shall be specified in the executed Service Agreement,

in this rate schedule. Sheet No. 95 of this rate schedule constitutes an Index of Daily Contract Quantities which are stated in the executed Service Agreement. However, the Daily Contract Quantities which are stated in the executed Service Agreements shall not exceed the Daily Contract Quantities which are stated in Sheet No. 95 as effective from time to time.

Shipper shall have the right to tender on any day for transportation volumes in excess of its Daily Contract Quantity, and Transporter shall have the right, but shall not be obligated, to transport such excess quantity on such day. In the event, during any month, the quantity of gas tendered for transportation and transported by Transporter for Shipper exceeds a total quantity equal to the product of the number of days in the month multiplied by Shipper's Daily Contract Quantity, then Shipper shall pay for such monthly excess quantity an additional amount equal to such excess quantity in Mcf, multiplied by Authorized Over-Run Rate as stated on Sheet No. 4 of this Tariff.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 93 : Effective

RATE SCHEDULE T-1 Transportation Service (continued)

7. OTHER ARRANGEMENTS BY SHIPPER

It is the responsibility of Shipper to make any necessary arrangements with other parties for further transportation of gas beyond Transporter's Point of Delivery. Shipper shall be obligated in any such arrangements to provide for requisite dispatching and operating coordination with Transporter.

8. THERMAL BALANCING AND REDELIVERY QUANTITY

Transporter undertakes to redeliver to Shipper at its Point of Delivery a quantity of gas containing the gross heating value of gas received from Shipper by Transporter at the Point of Receipt, less any attributable line losses or unaccounted-for gas.

The specific quantity in Mcf of gas to be redelivered by Transporter to Shipper or for Shipper's account (herein referred to as Shipper's "Redelivery Quantity") shall be determined each month as the product of (a), (b), and (c) below:

- (a) The volume of gas in Mcf tendered by Shipper to Transporter at the Point of Receipt for transportation during the month.
- (b) A fraction, the numerator of which is the measured volume of all gas delivered by Transporter from its pipeline during the month, and the denominator of which is the measured volume of all gas delivered to Transporter during the month.
- (c) A fraction, whose numerator is the average monthly unit heat content of the gas tendered by Shipper to Transporter at the Point of Receipt for transportation during the month, and whose denominator is the average monthly unit heat content of the gas delivered by Transporter

to Shipper or for Shipper's account at the Point(s) of Delivery during the month. The unit heat content shall be as defined in Section 1.9 of the General Terms and Conditions. Average monthly determinations of heat content shall be computed by weighting for volumes delivered during the month.

[Sheet Index Table](#)    [RP02-568-000](#)

First Revised Sheet No. 94 : Effective

Superseding: Original Sheet No. 94

RATE SCHEDULE T-1
Transportation Service (continued)




Scheduling on a daily basis shall reflect the general procedures identified above, utilizing estimates of the applicable fractions where necessary, but precise balancing shall be on a monthly basis. Any imbalances during a particular month shall be kept to the minimum permitted by operations and cashed-out consistent with Section 21.2 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

9. MEASUREMENT BASE

Refer to Section 4 of the General Terms and Conditions.

10. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's FERC Gas Tariff, First Revised Volume No. 1 are applicable to this rate schedule and are hereby made a part hereof.

[Sheet Index Table](#)    [RP93- 70-005](#)

Third Revised Sheet No. 95 : Effective

Superseding: Second Revised Sheet No. 95

RATE SCHEDULE T-1
Transportation Service (continued)

INDEX OF DAILY CONTRACT QUANTITIES
TO BE UTILIZED FOR BILLING UNDER
SECTION 3 OF RATE SCHEDULE T-1

Name of Shipper	Shipper's Daily Contract Quantity - Mcf
Phillips Petroleum Company	6,849

First Revised Sheet Nos. 96-99 : Effective

Superseding: Original Sheet Nos. 96-99

Notice is hereby given that effective February 17, 1994
Rate Schedule T-4 constituting Original Sheet Nos 96
through 99 of the FERC Gas Tariff of Black Marlin Pipeline
Company is to be cancelled.

First Revised Sheet No. 100 : Effective

Superseding: Original Sheet No. 100

RATE SCHEDULE FTS
Firm Transportation Service

1. AVAILABILITY

This rate schedule is available to any person (hereinafter called "Shipper") for the firm transportation of natural gas by Black Marlin Pipeline Company (hereinafter called "Transporter") through Transporter's pipeline facilities where:

- (a) Capacity exists to provide such service;
- (b) (i) Shipper has submitted a valid request for transportation pursuant to Section 4 of this rate schedule; and
(ii) Transporter and Shipper have an executed Service Agreement for service under this rate schedule; and
- (c) Shipper has title to gas received by Transporter for transportation under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas transported by Transporter for Shipper under this rate schedule.

Firm service rendered by Transporter for Shipper under this rate schedule shall consist of the receipt of gas by Transporter from or for the account of Shipper at Shipper's Primary Receipt Point(s) and the transportation and delivery of such gas to or for the account of Shipper at the Primary Delivery Points, as such Point(s) of Receipt and Delivery are contained in the executed Service Agreement.

Transportation service rendered by Transporter to Shipper under this rate schedule, up to the Maximum Daily Transportation Quantity (MDTQ), shall have priority over interruptible transportation service rendered by Transporter and shall be subject to curtailment or interruption only as provided in Sections 8 (Force Majeure) and 9 (Scheduling and Curtailment) of the General Terms and Conditions. Gas received for transportation hereunder will be commingled with other gas in Transporter's system, and the specific gas made available by Shipper or for Shipper's account for transportation may not be the same gas delivered to Shipper or for its account.

[Sheet Index Table](#)    [RS92- 56-001](#)

Original Sheet No. 100A : Effective

RATE SCHEDULE FTS Firm Transportation Service (continued)

Service and applicable rates for service shall commence under this rate schedule on the earlier of:

- i) the date Shipper first tenders gas to Transporter for transportation under an executed Service Agreement; or
- ii) five (5) days after the execution of such Service Agreement by Shipper,

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 such executed Service Agreements.

2A. RECEIPT POINTS

A. Primary Receipt Point(s)




The term Primary Receipt Point(s) shall mean those Point(s) of Receipt listed in Shipper's FTS Service Agreement which are assigned a Maximum Daily Receipt Quantity (MDRQ). Subject to the availability of firm capacity, a Shipper may request changes in Primary Receipt Point(s) under an executed Service Agreement at any time by submitting a request pursuant to Section 4 of this Rate Schedule.

B. Alternate Receipt Point(s)

The term Alternate Receipt Point(s) shall mean all other Point(s) of Receipt on Transporter's system other than those

listed in Shipper's FTS Service Agreement. Alternate Receipt Points may include nominations in excess of the MDRQ at a Primary Receipt Point.

Shipper may nominate gas at these Alternate Receipt Point(s) subject to the provisions of Section 9 of the General Terms and Conditions, and provided on any given day the sum of the volumes nominated for receipt at all Primary and Alternate Receipt Points does not exceed the MDTQ. All volumes nominated and transported up to the MDTQ under the FTS Service Agreement, including those received at an Alternate Receipt Points, shall be billed at the rates for service under this Rate Schedule.

[Sheet Index Table](#)    [RS92- 56-001](#)

Original Sheet No. 100B : Effective

RATE SCHEDULE FTS Firm Transportation Service (continued)

2B. DELIVERY POINTS

A. Primary Delivery Point(s)

The term Primary Delivery Point(s) shall mean those delivery points listed in Shipper's FTS Service Agreement which are assigned a Maximum Daily Delivery Quantity (MDDQ). Subject to the availability of firm capacity, a Shipper may request changes in Primary Delivery Points under an executed Service Agreement at any time by submitting a request pursuant to Section 4 of this rate schedule.

B. Alternate Delivery Point(s)

The term Alternate Delivery Point(s) shall mean all other Point(s) of Delivery other than those listed in Shipper's FTS Service Agreement. Alternate Delivery Points may include nominations in excess of the MDDQ at a Primary Delivery Point. Shipper may nominate gas for delivery at Alternate Delivery Point(s) subject to the provisions of Section 9 of the General Terms and Conditions, and provided on any given day the sum of volumes nominated for delivery at all Primary and Alternate Delivery Points does not exceed the MDTQ under the FTS Service Agreement.

All volumes nominated and transported up to the MDTQ under the FTS Service Agreement, including those delivered at an Alternate Delivery Point, shall be billed at the rates for service under this rate schedule.

[Sheet Index Table](#)    [RS92- 56-001](#)

First Revised Sheet No. 101 : Effective

Superseding: Original Sheet No. 101

RATE SCHEDULE FTS
Firm Transportation Service (continued)

3. RATES




The applicable rates for service under this rate schedule are set forth on the currently effective Sheet No. 4 of this tariff and are hereby incorporated herein.

For all natural gas service rendered hereunder, Shipper shall pay Transporter each month the sum of the charges listed below if applicable:

Reservation Charge - The Reservation Fee multiplied by Maximum Daily Transportation Quantity multiplied by the number of days in such month. The Reservation Fee shall be subject to adjustment as provided by Section 5 of this Rate Schedule.

Commodity Charge - The Commodity Rate multiplied by the quantity of gas in MMBtu received by Transporter for Shipper in such month.

Authorized Over-Run Charge - The Authorized Over-Run Rate multiplied by the quantity of Authorized Over-Run Gas as defined in Section 7 of this rate schedule, received by Transporter to Shipper or for its account during the billing month in question.

[Sheet Index Table](#)    [RP04-52-000](#)

Third Revised Sheet No. 102 : Effective

Superseding: Second Revised Sheet No. 102

RATE SCHEDULE FTS
Firm Transportation Service (continued)

Annual charge Adjustment - The Annual Charge Adjustment unit rate multiplied by the quantity of gas in MMBtu received to or for the account of Shipper by Transporter during the billing month in question.

Incidental Charges - Shipper shall reimburse Transporter for incidental charges incurred by Transporter in providing this service. Such charges may include only: (i) reporting or filing fees, (ii) costs of construction or acquisition of new facilities necessary to render service to the extent agreed to by Transporter and Shipper, and (iii) other such charges as may be authorized by the Commission. Transporter shall not recover any charges recovered under this paragraph in a Natural Gas Act Section 4 rate proceeding.

Transporter shall charge the maximum Reservation Fee and Commodity Rate set forth on Sheet No. 4 unless Transporter, from time to time and at any time at its sole discretion on a non-discriminatory basis, charges any individual Shipper for transportation service under this rate schedule a rate which is lower than such maximum Reservation Fee or Commodity rate; provided, however, that such rates charged may not be less than the minimum Reservation Fee or Commodity rate set forth on the currently effective Sheet No. 4 of Transporter's FERC Gas Tariff.

Transporter shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charge, the individual Shipper(s) affected, the volume transported and any other information which may be required.

4. REQUESTS FOR TRANSPORTATION SERVICE

4.1 The specific information required from a Shipper for a valid request for transportation service must be sent to Transporter to the attention of Bill Eiser, Asset Manager, via fax (713-215-3050) or email (bill.eiser@williams.com). Requests for transportation must be accompanied by the following:

(a) Shipper's legal name.

[Sheet Index Table](#)    [MT94- 12-000](#)

Second Revised Sheet No. 103 : Effective

Superseding: First Revised Sheet No. 103

RATE SCHEDULE FTS
Firm Transportation Service (continued)

- (b) Shipper's principal place of business.
 - (c) Shipper's contact person.
 - (d) Shipper's business address for notices and billings.
 - (e) Shipper's status (natural gas distribution company, end-user, intrastate pipeline company, interstate pipeline company, producer, etc.).
 - (f) Requested commencement date of service.
 - (g) Requested term of service.
 - (h) Requested Maximum Daily Transportation Quantity (MDTQ) stated in MMBtu per day.
 - (i) Total volumes stated in MMBtu to be transported over the requested term of service.
 - (j) Requested primary receipt point(s) by legal description and maximum daily quantity requested at each primary receipt point.
 - (k) Requested primary delivery point(s) by legal description and maximum daily quantity requested at each primary delivery point.
 - (l) List of names, titles and telephone numbers of all of Shipper's employees or agents authorized to perform day-to-day dispatching.
-

First Revised Sheet No. 104 : Effective

Superseding: Original Sheet No. 104

RATE SCHEDULE FTS
Firm Transportation Service (continued)

- (m) A letter from Shipper certifying that Shipper has, or will have at the time gas is tendered to Transporter, title to the gas to be transported on Transporter's system, and certifying that Shipper has secured, or will have secured, prior to the commencement of service, all necessary arrangements for upstream and downstream transportation, if applicable.

For Shipper's convenience, standardized service request forms shall be available from Transporter at the above-referenced address.

Requests for service which do not include all of the above-referenced information shall be deemed null and void.

4.2A. In addition, prior to or at the time of execution of a Service Agreement, Shipper must provide the following information:

- (a) Identity of the parties to the Service Agreement.
- (b) Shippers utilizing transportation service for end-users must certify that it has agreements in place with such end-users for sale of the gas.

First Revised Sheet No. 105 : Effective

Superseding: Original Sheet No. 105

RATE SCHEDULE FTS
Firm Transportation Service (continued)

4.2B. In addition, prior to or at the time of commencement of service, Shipper must provide the identity of all of the upstream and downstream transporters, if any, included in the transaction. Shipper shall return to Transporter the fully executed FTS Service Agreement within thirty (30) days after receipt thereof. In the event Transporter does not receive the fully executed Service Agreement within thirty (30) days, Shipper's request for transportation under this Rate Schedule shall be null and void.

4.3 Requests for extension of the Primary term of a Service Agreement are subject to the provisions of Section 15 of the General Terms and Conditions.

Original Sheet No. 106 : Effective

RATE SCHEDULE FTS
Firm Transportation Service (continued)

At Shipper's request, Transporter shall permit Shipper to name a designee to perform Shipper's obligations with regard to nominations, scheduling and/or payment under this rate schedule, provided that Shipper, such designee and Transporter shall agree in writing that designee shall perform the specified obligation(s) of Shipper and, with respect to any payment obligation, such designee shall meet the creditworthiness provisions of this Rate Schedule. Shipper shall not name more than one designee to perform each such specified obligation under any Service Agreement hereunder.

At Transporter's request, Shipper shall permit Transporter to name a designee to perform Transporter's obligations with regard to nominations, scheduling, billing, and/or receiving payment under this Rate Schedule, provided that Shipper, Transporter, and such designee shall agree in writing that designee shall perform the specified obligation(s) of Transporter. Transporter shall not name more than one designee to perform each such specified obligation under any Service Agreement hereunder.

5. BILLING ADJUSTMENT FOR FAILURE TO TRANSPORT

If, on any day during the month, Transporter fails to accept the quantity of gas tendered by Shipper for transportation under this Rate Schedule on such day up to the MDTQ, and the gas so tendered complies with and meets the provisions of this tariff with respect thereto, the monthly Reservation Charge otherwise computed shall be decreased by an amount computed as the product of (a) and (b) below:

- (a) The quantity in MMBtu of gas tendered, but not accepted, up to but not exceeding the MDTQ;
- (b) The Reservation Fee.

First Revised Sheet No. 107 : Effective

Superseding: Original Sheet No. 107

RATE SCHEDULE FTS
Firm Transportation Service (continued)

6. MAXIMUM DAILY TRANSPORTATION QUANTITY

Maximum Daily Transportation Quantity (MDTQ) shall be the maximum quantity

of natural gas in MMBtu which Transporter shall be obligated to receive from Shipper (or for Shipper's account) at Shipper's Point of Receipt on any day for transportation under this Rate Schedule.

MDTQ shall be specified in the executed Service Agreement.

7. AUTHORIZED OVER-RUN GAS

Shipper shall have the right to tender on any day for transportation volumes in excess of its MDTQ, and Transporter shall have the right, but shall not be obligated, to transport such excess quantity on such day. In the event during any month, the quantity of gas tendered for transportation and transported by Transporter for Shipper exceeds a total quantity equal to the product of the number of days in the month multiplied by MDTQ, such gas shall be defined as Authorized Over-run Gas. Shipper shall pay for such monthly excess quantity, an additional amount, equal to such excess quantity, in MMBtu, multiplied by the Authorized Over-run Rate.

8. OTHER ARRANGEMENTS BY SHIPPER

It is the responsibility of Shipper to make any necessary arrangements with other parties for further transportation of gas beyond Transporter's Point of Delivery. Shipper shall be obligated in any such arrangements to provide for requisite dispatching and operating coordination with Transporter.

9. DETERMINATION OF RECEIPTS, THERMAL BALANCING AND REDELIVERY QUANTITY

9.1 Determination of Receipts

For purposes of this section "overage" shall be defined as Scheduled Receipts in excess of actual quantities received, and "underage" shall be defined as Scheduled Receipts below actual quantities received. In the event actual quantities received by Transporter do not equal the Scheduled Receipts for such point, any overage or underage shall be allocated as follows:

(1) To the extent Transporter has entered into an Operational Balancing Agreement ("OBA") as set forth below which covers the point of receipt, any overages or underages at such point of receipt shall not be allocated to Shippers, but shall be resolved in accordance with the OBA;

[Sheet Index Table](#)    [RP02-454-000](#)

Third Revised Sheet No. 107A : Effective

Superseding: Second Revised Sheet No. 107A

RATE SCHEDULE FTS
Firm Transportation Service (continued)

(2) To the extent there is not an OBA for the subject receipt point, Transporter and the interconnecting party will agree as to which party is responsible for the predetermined allocation (PDA), and if the party has agreed to submit the PDA, Transporter shall allocate underages or overages in accordance

with the PDA;

- (3) To the extent there is no OBA or PDA, Transporter shall allocate any overage or underage pro-rata based on scheduled and confirmed quantities at the receipt point.
- (4) The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements.

A. Operational Balancing Agreement (OBA)

- (1) An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. Transporter is willing to negotiate and execute Operational Balancing Agreements (OBAs) with appropriate parties that operate natural gas facilities which interconnect with Transporter's system. Such OBAs will provide that any variance between actual quantities and scheduled and confirmed quantities for any day shall be resolved in-kind promptly or cashed-out pursuant to the terms of the OBAs.
- (2) To the extent actual receipts vary from scheduled receipts at a point of receipt for which Transporter has entered into an OBA, Shippers utilizing such point of receipt shall be responsible for any charges incurred by Transporter under the OBA.

B. Predetermined Allocation Statements (PDA)

As a minimum, allocations should be provided by both contract and location. The upstream or downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before the start of the gas day. The types of allocation methodologies is a list from which two parties may agree. If the two parties can not agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. The PDA methods shall include ranked, pro rata, percentage, swing, and operator provided value, as such terms are used in the NAESB Standards. The same standard allocation methodologies should be available for use at all points, except those covered by an OBA. A new allocation detail may be needed when a nomination changes.

Transporter shall be entitled to rely exclusively on an effective PDA in allocating gas received at a point and the interconnect party holds Transporter harmless against actions taken and allocations made in reliance upon such PDA. No retroactive changes to a PDA may be made unless Transporter and all affected parties agree in writing. The allocating party should send back "confirmation" of receipt of the pre-determined allocation within 15 minutes.

9.2 THERMAL BALANCING AND REDELIVERY QUANTITY

Transporter shall undertake to redeliver to Shipper at its Point of Delivery a quantity of gas containing the gross heating value of gas

[Sheet Index Table](#)    [RP02-454-000](#)

Second Revised Sheet No. 108 : Effective

Superseding: First Revised Sheet No. 108

RATE SCHEDULE FTS Firm Transportation Service (continued)

received from Shipper by Transporter at the Point of Receipt, plus or minus any attributable line losses or unaccounted-for gas.

The specific quantity in MMBtu of gas to be redelivered by Transporter to Shipper or for Shipper's account (herein referred to as Shipper's "Redelivery Quantity") shall be determined each month as the product of (a) and (b) below:

- (a) The volume of gas in MMBtu received by Transporter from Shipper at the Point of Receipt for transportation during the month.
- (b) A fraction, the numerator of which is the measured volume in MMBtu of all gas delivered by Transporter from its pipeline during the month, and the denominator of which is the measured volume in MMBtu of all gas received by Transporter during the month.

Scheduling on a daily basis shall reflect the general procedures identified above. The timing for reporting daily operational allocations after the gas has flowed is within one business day after the end of the gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Precise balancing shall be on a monthly basis. Any imbalances during a particular month shall be kept to the minimum permitted by operating conditions and balanced out as soon as practicable. Imbalance statements should be generated at the same time or prior to the generation of the transportation invoice. The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site.

Delivery point allocations should be performed at the lowest level of detail provided by nominations. The determination of deliveries

applicable to Shipper shall be made in accordance with the thermal balancing provisions above unless a PDA in accordance with the PDA provision below or an operating arrangement satisfactory to Shipper, Transporter and any third party transporting to or from Transporter's system is submitted. The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements. The upstream or downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before the start of the gas day. To the extent there is no OBA or PDA, Transporter shall allocate deliveries pro rata based on confirmed quantities. As a minimum, allocations should be provided by both contract and location. The types of allocation methodologies is a list from

[Sheet Index Table](#)    [RP03-472-000](#)

Third Revised Sheet No. 108A : Effective

Superseding: Second Revised Sheet No. 108A

RATE SCHEDULE FTS
Firm Transportation Service (continued)

which two parties may agree. If the two parties can not agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. The PDA methods shall include ranked, pro rata, percentage, swing, and operator provided value, as such terms are used in the NAESB Standards. The same standard allocation methodologies should be available for use at all points. A new allocation detail may be needed when a nomination changes. Transporter shall be entitled to rely exclusively on an effective PDA in allocating gas delivered to a point. No retroactive changes to a PDA may be made unless Transporter and all affected parties agree in writing. The allocating party should send back "confirmation" of receipt of the pre-determined allocation within 15 minutes. A Party may change the PDA during a calendar month provided (i) such change will have prospective effect only, (ii) all Shippers on Transporter's system with scheduled deliveries at such point have been notified of the change and the effective date of the change, and (iii) the interconnecting party identifies and holds Transporter and Shippers utilizing such points harmless against actions taken and allocations made in reliance upon such change in PDA.

[Sheet Index Table](#)    [RP00-335-003](#)

Second Revised Sheet No. 109 : Effective

Superseding: First Revised Sheet No. 109

10. THIS SECTION IS RESERVED FOR FUTURE USE.

[Sheet Index Table](#)    [RP00-335-003](#)

First Revised Sheet No. 110 : Effective

Superseding: Original Sheet No. 110

Reserved for future use.

[Sheet Index Table](#)    [RP00-335-003](#)

Third Revised Sheet No. 111 : Effective

Superseding: Second Revised Sheet No. 111

RATE SCHEDULE FTS
Firm Transportation Service (continued)

11. MEASUREMENT BASE

Refer to Section 4 of the General Terms and Conditions.

12. NOMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas shall be nominated, confirmed, scheduled and curtailed by Transporter in accordance with Section 9 of the General Terms and Conditions of this Tariff.

[Sheet Index Table](#)    [RP99- 15-000](#)




Fourth Revised Sheet No. 112 : Effective

Superseding: Third Revised Sheet No. 112

RATE SCHEDULE FTS

Firm Transportation Service (continued)

Reserved for Future Use


[Sheet Index Table](#)    [RP99- 15-000](#)

Second Revised Sheet No. 112A : Effective

Superseding: First Revised Sheet No. 112A

RATE SCHEDULE FTS
Firm Transportation Service (continued)

Reserved for Future Use

[Sheet Index Table](#)    [RP99- 15-000](#)




Second Revised Sheet No. 113 : Effective

Superseding: First Revised Sheet No. 113

RATE SCHEDULE FTS
Firm Transportation Service (continued)

13. RIGHTS UNDER SECTION 4 OF THE NATURAL GAS ACT

Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes in (a) the rates and charges applicable to its Rate Schedule FTS, (b) Rate Schedule FTS pursuant to which this service is rendered; provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions applicable to Rate Schedule FTS. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.




[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 114 : Effective

RATE SCHEDULE FTS
Firm Transportation Service (continued)



14. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's FERC Gas Tariff, First Revised Volume No. 1, are applicable to this Rate Schedule and are hereby made a part hereof.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 115-124 : Effective

Original Sheet Nos. 115 through 124
Have Been Reserved For Future Use

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 125 : Effective

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

This rate schedule is available to any person (hereinafter called "Shipper") for the interruptible transportation of natural gas by Black Marlin Pipeline Company (hereinafter called "Transporter") through Transporter's pipeline facilities where:

- (a) (i) Shipper has submitted a valid request for transportation pursuant to Section 4 of this rate schedule; and
- (ii) Transporter and Shipper have an executed Service Agreement for service under this rate schedule; and
- (b) Shipper has title to gas received by Transporter for transportation under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE



This rate schedule shall apply to all gas transported by Transporter for Shipper under this rate schedule.

Service rendered by Transporter for Shipper under this rate schedule shall consist of the receipt of gas by Transporter from or for the

account of Shipper at Shipper's Point(s) of Receipt and the transportation and delivery of such gas to or for the account of Shipper at the Point(s) of Delivery, as such Point(s) of Receipt and Delivery are contained in the executed Service Agreement.

Transportation service rendered by Transporter to Shipper under this rate schedule shall be subject to curtailment or interruption in order for Transporter to meet its firm service obligations and as provided in Sections 8 (Force Majeure) and 9 (Scheduling and Curtailment) of the General Terms and Conditions.

Gas received for transportation hereunder will be commingled with other gas in Transporter's system, and the specific gas made available by Shipper or for Shipper's account for transportation may not be the same gas delivered to Shipper or for its account.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 126 : Effective

RATE SCHEDULE ITS Interruptible Transportation Service (continued)

3. RATES

The applicable rates for service under this rate schedule are set forth on the currently effective Sheet No. 4 of this Tariff and are hereby incorporated herein.

For all natural gas service rendered hereunder, Shipper shall pay Transporter each month the sum of the charges listed below if applicable:




Commodity Charge - The Commodity Rate multiplied by the quantity of gas in MMBtu received by Transporter for Shipper in such month.

Annual Charge Adjustment - The Annual Charge Adjustment unit rate multiplied by the quantity of gas in MMBtu received to or for the account of Shipper by Transporter during the billing month in question.

Incidental Charges - Shipper shall reimburse Transporter for incidental charges incurred by Transporter in providing this service. Such charges may include only: (i) reporting or filing fees, (ii) costs of construction or acquisition of new facilities necessary to render service, to the extent agreed to by Transporter and Shipper, and (iii) other such charges as may be authorized by the Commission. Transporter shall not recover any charges recovered under this paragraph in a Natural Gas Act Section 4 rate proceeding.

Transporter shall charge the maximum Commodity Rate set forth on Sheet No. 4 unless Transporter, from time to time and at any time at its sole discretion on a non-discriminatory basis, charges any individual Shipper for transportation service under this Rate Schedule a rate which is lower than such maximum Commodity Rate; provided, however, that such Commodity Rate charged may not be

less than the minimum Commodity Rate set forth on the currently effective Sheet No. 4 of Transporter's FERC Gas Tariff.

[Sheet Index Table](#)    [RP04-52-000](#)

Fourth Revised Sheet No. 127 : Effective

Superseding: Third Revised Sheet No. 127

RATE SCHEDULE ITS Interruptible Transportation Service (Continued)

Transporter shall file with the Commission any and all reports as required by the Commission's Regulations setting forth the applicable charge, the individual Shipper(s) affected, the volume transported and any other information which may be required.

4. REQUESTS FOR TRANSPORTATION SERVICE

4.1 The specific information required from a Shipper for a valid request for transportation service must be sent to Transporter to the attention of Bill Eiser, Asset Manager, via fax (713-215-3050) or email (bill.eiser@williams.com). Requests for transportation must be accompanied by the following:

- (a) Shipper's legal name.
- (b) Shipper's principal place of business.
- (c) Shipper's contact person.
- (d) Shipper's business address for notices and billings.
- (e) Shipper's status (natural gas distribution company, end-user, intrastate pipeline company, interstate pipeline company, producer, etc.).
- (f) Requested commencement date of service.
- (g) Requested term of service.
- (h) Requested Maximum Daily Transportation Quantity (MDTQ) stated in MMBtu per day.
- (i) Total volumes stated in MMBtu to be transported over the requested term of service.
- (j) Requested receipt point(s) by legal description and maximum daily quantity requested at each receipt point.

[Sheet Index Table](#)    [MT94- 12-000](#)

First Revised Sheet No. 128 : Effective

Superseding: Original Sheet No. 128




RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

- (k) Requested delivery point(s) by legal description and maximum daily quantity requested at each delivery point.
- (l) List of names, titles and telephone numbers of all of Shipper's employees or agents authorized to perform day-to-day dispatching.
- (m) A letter from Shipper certifying that Shipper has, or will have at the time gas is tendered to Transporter, title to the gas to be transported on Transporter's system, and certifying that Shipper has secured, or will have secured, prior to the commencement of service, all necessary arrangements for upstream and downstream transportation, if applicable.

For Shipper's convenience, standardized service request forms shall be available from Transporter at the above-referenced address.

Requests for service which do not include all of the above-referenced information shall be deemed null and void.

4.2A. In addition, prior to or at the time of execution of a Service Agreement, Shipper must provide the following information:

[Sheet Index Table](#)    [MT94- 12-000](#)

Second Revised Sheet No. 129 : Effective

Superseding: First Revised Sheet No. 129

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

- (a) Identity of all parties to the service agreement.
- (b) Shippers utilizing transportation service for end-users must certify that it has agreements in place with such end-users for sale of the gas.

4.2B. In addition, prior to or at the time of commencement of service, Shipper must provide the identity of all of the upstream and downstream transporters, if any, involved in the transaction.

Shipper shall return to Transporter the fully executed ITS Service Agreement within thirty (30) days after receipt thereof. In the event Transporter does not receive the fully executed Service Agreement within thirty (30) days, Shipper's request for transportation under this Rate Schedule shall be null and void.

First Revised Sheet No. 130 : Effective

Superseding: Original Sheet No. 130

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

- 4.3 At Shipper's request, Transporter shall permit Shipper to name a designee to perform Shipper's obligations with regard to nominations, scheduling and/or payment under this Rate Schedule, provided that Shipper, such designee and Transporter shall agree in writing that designee shall perform the specified obligation(s) of Shipper and, with respect to any payment obligation, such designee shall meet the creditworthiness provisions of this rate schedule.

Original Sheet No. 131 : Effective

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

Shipper shall not name more than one designee to perform each such specified obligation under any Service Agreement hereunder.

At Transporter's request, Shipper shall permit Transporter to name a designee to perform Transporter's obligations with regard to nominations, scheduling, billing, and/or receiving payment under this Rate Schedule, provided that Shipper, Transporter, and such designee shall agree in writing that designee shall perform the specified obligation(s) of Transporter. Transporter shall not name more than one designee to perform each such specified obligation under any Service Agreement hereunder.

5. MAXIMUM DAILY TRANSPORTATION QUANTITY

Maximum Daily Transportation Quantity (MDTQ) shall be the maximum quantity of natural gas in MMBtu which Transporter shall, subject to the provisions of Transporter's Tariff, receive from Shipper (or for Shipper's account) at Shipper's Point of Receipt on any day for transportation under this Rate Schedule.

MDTQ shall be specified in the executed Service Agreement.

6. OTHER ARRANGEMENTS BY SHIPPER

It is the responsibility of Shipper to make any necessary arrangements with other parties for further transportation of gas beyond Transporter's Point of Delivery. Shipper shall be obligated in any such arrangements to provide for requisite dispatching and operating coordination with Transporter.

Third Revised Sheet No. 132 : Effective

Superseding: Second Revised Sheet No. 132

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

7. DETERMINATION OF RECEIPTS, THERMAL BALANCING AND REDELIVERY QUANTITY

7.1 Determination of Receipts:

For purposes of this section "overage" shall be defined as Scheduled Receipts in excess of actual quantities received, and "underage" shall be defined as Scheduled Receipts below actual quantities received. In the event actual quantities received by Transporter do not equal the scheduled receipts for such point, any overage or underage shall be allocated as follows:

- (1) To the extent Transporter has entered into an Operational Balancing Agreement as set forth below which covers the point of receipt, any overages or underages at such point of receipt shall not be allocated to Shippers, but shall be resolved in accordance with the OBA:
- (2) to the extent there is not a OBA for the subject receipt point, Transporter and the interconnecting Party will agree as to which party is responsible for the predetermined allocation (PDA) and if the party has agreed to submit the PDA, Transporter shall allocate underages or overages in accordance with the PDA;
- (3) To the extent there is no OBA or PDA, Transporter shall allocate any overage or underage pro-rata based on scheduled and confirmed quantities at the receipt point.
- (4) The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements.

A. Operational Balancing Agreement (OBA)

- (1) An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. Transporter is willing to negotiate and execute Operational Balancing Agreements (OBAs) with appropriate parties that operate natural gas facilities which interconnect with Transporter's system. Such OBAs will provide that any variance between actual quantities and scheduled and confirmed quantities for any day shall be resolved in kind promptly or cashed-out pursuant to the terms of the OBAs.

B. Predetermined Allocation Statements (PDA)

The upstream or downstream party providing the point confirmation

should submit the pre-determined allocation to the allocating party after or during confirmation and before the start of the gas day. As a minimum, allocations should be provided by both contract and location.

[Sheet Index Table](#)    [RP02-454-000](#)

Second Revised Sheet No. 132A : Effective

Superseding: First Revised Sheet No. 132A

RATE SCHEDULE ITS Interruptible Transportation Service (continued)

The types of allocation methodologies is a list from which two parties may agree. If the two parties can not agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. The PDA methods shall include ranked, pro rata, percentage, swing, and operator provided value, as such terms are used in the NAESB Standards. The same standard allocation methodologies should be available for use at all points except those covered by an OBA. A new allocation detail may be needed when a nomination changes. Transporter shall be entitled to rely exclusively on an effective PDA in allocating as received at a point taken and allocations made in reliance upon such PDA. No retroactive changes to a PDA may be made unless Transporter harmless against actions taken and allocations made in reliance upon such PDA. No retroactive changes to a PDA may be made unless Transporter and all affected parties agree in writing. The allocating party should send back "confirmation" of receipt of the pre-determined allocation within 15 minutes.

7.2 THERMAL BALANCING AND REDELIVERY QUANTITY

Transporter shall undertake to redeliver to Shipper at its Point of Delivery a quantity of gas containing the gross heating value of gas received from Shipper by Transporter at the Point of Receipt, less any attributable line losses or unaccounted-for gas.

The specific quantity in MMBtu gas to be redelivered by Transporter to Shipper or for Shipper's account (herein referred to as Shipper's "Redelivery Quantity") shall be determined each month as the product of (a), and (b) below:

- (a) The volume of gas in MMBtu received by Transporter from Shipper at the Point of Receipt for transportation during the month.
- (b) A fraction, the numerator of which is the measured volume in MMBtu of all gas delivered by Transporter from its pipeline during the month, and the denominator of which is the measured volume in MMBtu of all gas received by Transporter during the month.

Scheduling on a daily basis shall reflect the general procedures identified above. The timing for reporting daily operational allocations after the gas has flowed is within one business day after the end of the

gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Precise balancing shall be on a monthly basis. Any imbalances during a particular month shall be kept to the minimum permitted by operating conditions and balanced out as soon as practicable.

[Sheet Index Table](#)    [RP02-454-000](#)

Second Revised Sheet No. 132B : Effective

Superseding: First Revised Sheet No. 132B

RATE SCHEDULE ITS Interruptible Transportation Service (continued)

Imbalance statements should be generated at the same time or prior to the generation of the transportation invoice. The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site.

Delivery point allocations should be performed at the lowest level of detail provided by nominations. The determination of deliveries applicable to Shipper shall be made in accordance with the thermal balancing provisions above unless a PDA in accordance with the PDA provision below or an operating arrangement satisfactory to Shipper, Transporter and any third party transporting to or from Transporter's system is submitted. The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements.

The upstream or downstream party providing the point of confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before the start of the gas day. To the extent there is no OBA or PDA, Transporter shall allocate pro rata based on confirmed nominations. As a minimum, allocations should be provided by both contract and locations. The types of allocation methodologies is a list from which two parties may agree. If the two parties can not agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. The same standard allocation methodologies should be available for use at all points. A new allocation detail may be needed when a nomination changes. The PDA methods shall include ranked, pro rata, percentage, swing, and operator provided value, as such terms are used in the NAESB Standards. Transporter shall be entitled to rely exclusively on an effective PDA in allocating gas delivered to a point. No retroactive changes to a PDA may be made unless Transporter and all affected parties agree in writing. The allocating party should send back "confirmation" of receipt of the pre-determined allocation within 15 minutes.

A Party may change the PDA during a calendar month provided (i) such change will have prospective effect only, (ii) all Shippers on




Transporter's system with scheduled deliveries at such point have been notified of the change and the effective date of the change, and (iii) the interconnecting Party identifies and holds Transporter and Shippers utilizing such points harmless against actions taken and allocations made in reliance upon such change in PDA.

[Sheet Index Table](#)    [RP00-335-003](#)

First Revised Sheet No. 133 : Effective

Superseding: Original Sheet No. 133

8. THIS SECTION IS RESERVED FOR FUTURE USE.

[Sheet Index Table](#)    [RP00-335-003](#)

Second Revised Sheet No. 134 : Effective

Superseding: First Revised Sheet No. 134

Reserved for future use.

[Sheet Index Table](#)    [RP00-335-003](#)

Third Revised Sheet No. 135 : Effective

Superseding: Second Revised Sheet No. 135

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

9. MEASUREMENT BASE

Refer to Section 4 of the General Terms and Conditions.

10. NOMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas shall be nominated, confirmed,

scheduled and curtailed by Transporter in accordance with Section 9 of the General Terms and Conditions of this tariff.


[Sheet Index Table](#)    [RP99- 15-000](#)

Fourth Revised Sheet No. 136 : Effective

Superseding: Third Revised Sheet No. 136

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

Reserved for Future Use

[Sheet Index Table](#)    [RP99- 15-000](#)

Second Revised Sheet No. 136A : Effective

Superseding: First Revised Sheet No. 136A

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

Reserved for Future Use

[Sheet Index Table](#)    [RP99- 15-000](#)

Second Revised Sheet No. 137 : Effective

Superseding: First Revised Sheet No. 137

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

11. RIGHTS UNDER SECTION 4 OF THE NATURAL GAS ACT

Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes in (a) the rates and charges applicable to its Rate Schedule ITS, (b) Rate Schedule ITS pursuant to which this service is rendered; provided, however, that the interruptible character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions applicable to Rate Schedule ITS. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization

from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 138 : Effective

RATE SCHEDULE ITS
Interruptible Transportation Service (continued)

12. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's FERC Gas Tariff, First Revised Volume No. 1, are applicable to this Rate Schedule and are hereby made a part hereof.

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 139-199 : Effective

Original Sheet Nos. 139 through 199
Have Been Reserved For Future Use

[Sheet Index Table](#)    [RP03-472-000](#)

Sixth Revised Sheet No. 200 : Effective

Superseding: Fifth Revised Sheet No. 200

GENERAL TERMS AND CONDITIONS
INDEX

Section	Description	Sheet No.
1	Definitions	201

2	Quality of Gas	202
3	Measuring Equipment	205
4	Measurement Base	206
5	Inspection of Equipment and Records	208
6	Billing and Payments	209
7	Notice of Changes in Operating Conditions	210
8	Force Majeure	210
9	Scheduling and Curtailment	211
10	Reallocation of Capacity	213
11	Warranty of Title	214
12	Possession of Gas and Responsibility	214
13	Liability of Parties	215
14	Miscellaneous Provisions	215
15	Service Agreement	217
16	Pressure	217
17	Creditworthiness	217A
18	Annual Charge Adjustments (ACA) Clause	218
19	Requests for Transportation Service; Complaint Procedures	220
20	Electronic Communication of Information	221
21	Imbalances	222
22	Portability of Discounts	225
23	Operational Flow Orders	226

[Sheet Index Table](#)    [RP02-454-000](#)

Second Revised Sheet No. 201 : Effective

Superseding: First Revised Sheet No. 201

GENERAL TERMS AND CONDITIONS (continued)

1. DEFINITIONS:

- 1.1 The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 o'clock a.m. Central Clock Time.

- 1.2 The word "month" shall mean a period extending from the beginning at 9:00 o'clock a.m. Central Clock Time of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
- 1.3 The term "billing month" shall mean the month of service hereunder which immediately precedes the month in which Transporter is obligated to render a bill for such service.
- 1.4 The term "contract year" shall mean a period of twelve (12) consecutive months from the first day of the month following the date gas is first delivered.
- 1.5 The term "gas" shall mean natural gas, or any mixture of hydrocarbons or of hydrocarbons and noncombustible gases, in a gaseous state, consisting predominantly of methane, which meets the quality specifications set forth herein, but shall specifically exclude natural gas liquids existing in a free liquid state.
- 1.6 The term "cubic foot of gas" shall mean that quantity of gas which occupies one (1) cubic foot when such gas is at a temperature of sixty (60) degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (14.73 psia) and corrected for deviation from ideal gas behavior.
- 1.7 The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 4 hereof.
- 1.7 (a) "NAESB" shall mean North American Energy Standards Board.

[Sheet Index Table](#)    [RP003-351](#)

Substitute Eighth Revised Sheet No. 201A : Effective

Superseding: Eighth Revised Sheet No. 201A

GENERAL TERMS AND CONDITIONS (continued)

- 1.7 (b) "NAESB" Standards shall mean any such standards and definitions issued by NAESB, which have been adopted by the FERC. Transporter incorporates the following NAESB Standards:
- (i) Nominations Related Standards (version 1.6; Recommendation R02002): 1.1.1 through 1.1.6, 1.1.8, 1.1.9, 1.1.12, 1.1.14 through 1.1.19, 1.2.1 through 1.2.6, 1.2.8 through 1.2.19, 1.3.1 through 1.3.9, 1.3.11, 1.3.13 through 1.3.16, 1.3.19 through 1.3.46, 1.3.51, 1.3.75.
- (ii) Flowing Gas Related Standards (version 1.6): 2.1.1 through 2.1.5, 2.2.1 through 2.2.3, 2.3.1 through 2.3.31, 2.3.36 through 2.3.40, 2.3.42 through 2.3.50.
- (iii) Invoicing Related Standards (version 1.6): 3.1.1, 3.1.2, 3.2.1, 3.3.1 through 3.3.22, 3.3.25, 3.3.26.

(iv) Electronic Delivery Mechanism Standards (version 1.6): 4.1.2 through 4.1.4, 4.1.6, 4.1.7, 4.1.9, 4.1.10, 4.1.12 through 4.1.21, 4.1.29, 4.1.30, 4.2.1 through 4.2.9, 4.2.14, 4.2.15, 4.3.1 through 4.3.3, 4.3.5 through 4.3.8, 4.3.10 through 4.3.38, 4.3.40, 4.3.41, 4.3.45, 4.3.73, 4.3.87.

(v) Capacity Release Related Standards (version 1.6; Recommendations R02002 and R02002-2): 5.1.2, 5.1.3, 5.2.1 through 5.2.3, 5.3.1, 5.3.3 through 5.3.5, 5.3.7 through 5.3.9, 5.3.13 through 5.3.30, 5.3.35 through 5.3.40, 5.3.44 through 5.3.47, 5.3.49 through 5.3.58.

[Sheet Index Table](#)    [RP003-351](#)

Original Sheet No. 201A.01

GENERAL TERMS AND CONDITIONS (continued)

- 1.7 (c) The term "working day" shall mean "Business Day" as such term is defined in the NAESB Standards and shall include the days Monday through Friday, exclusive of federal banking holidays, unless notified otherwise.
- 1.7 (d) "Central Clock" Time shall mean the Central Time, as adjusted for Daylight Savings Time and Standard Time. Unless otherwise stated, as used herein "Central Time" shall mean Central Clock time.
- 1.7 (e) "Contact Person" shall mean the person(s) specified by Shipper that is available by telephone or paging device to receive communication from Transporter at any and all times and upon whose written and oral communications Transporter may rely. Every shipper must have a contact person and shipper must provide Transporter with sufficient information to conclusively contact and communicate with such contact person.

[Sheet Index Table](#)    [RP99-440-000](#)

Second Revised Sheet No. 202 : Effective

Superseding: First Revised Sheet No. 202

GENERAL TERMS AND CONDITIONS (continued)




- 1.8 The term "Btu" shall mean British thermal unit, and is defined as the amount of heat required to raise the temperature of one pound of water one (1) degree Fahrenheit from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at a standard

pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.70 psia). For reporting purposes, Btu conversion factors should be reported to not less than 3 decimal places.

- 1.9 The term "gross heating value" shall mean the quantity of heat in Btu's liberated by the complete combustion at constant pressure, of a cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit on a water free basis and at an absolute pressure of absolute (14.73 psia) with air at the same temperature and pressure as the gas, when the products of the combustion are cooled to sixty (60) degrees Fahrenheit and when the water formed by combustion is condensed to the liquid state.
- 1.10 The term "psia" shall mean pounds per square inch absolute.
- 1.11 The term "psig" shall mean pounds per square inch gauge.
- 1.12 The term "thermally equivalent" means an equal number of Btu's.
- 1.13 The term "MMBtu" is equivalent to the term "dekatherm" Dekatherms shall be the standard unit for nominating, scheduling, invoicing, and balancing. The number of dekatherms received or delivered shall be determined by multiplying the number of cubic feet of gas received or delivered, by the total heating value of such gas, in British thermal units per cubic foot. Pressure base conversion factors should be reported to not less than 6 decimal places. For calculation purposes, not less than 6 decimal places should be used for both conversion factors. Divide the product by a million (1,000,000).

2. QUALITY OF GAS:

- 2.1 Quality Standards: Except as provided herein, the gas which Shipper delivers hereunder to Transporter and the gas which Transporter delivers hereunder to Shipper for transport shall be merchantable gas, at all times complying with the following quality requirements:
 - (a) the gas shall be free from objectionable odors, solid matter, dust, gums and gum-forming constituents, or any other substance which might interfere with the merchantability of the gas, or cause injury to or

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 203 : Effective

GENERAL TERMS AND CONDITIONS (continued)

interference with proper operation of the line, meters, regulators or other appliances through which it flows;

- (b) shall have been dehydrated by Shipper for removal of water present therein in a vapor state to contain not more than seven (7) pounds of water vapor per one thousand (1,000) Mcf, as determined by use of the dew point moisture monitor

apparatus mutually agreed upon; provided, however, Transporter may periodically waive this specification if in Transporter's sole, but reasonable opinion, the receipt of gas containing more than seven (7) pounds of water vapor per one thousand (1,000) Mcf will not impair the operation of the pipeline;

- (c) shall contain not more than one quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet of gas as determined by a quantitative test mutually agreeable to the parties hereto after the presence of hydrogen sulfide has been indicated by qualitative test;
- (d) shall contain not more than ten (10) grains of total sulphur per one hundred (100) cubic feet of gas;
- (e) shall contain not more than a combined total of three percent (3%) by volume of carbon dioxide and/or nitrogen;
- (f) shall contain no more than two tenths of one percent (.2%) by volume of oxygen;
- (g) shall have a temperature of not more than one hundred twenty (120) degrees Fahrenheit; and
- (h) shall have a Btu content of not less than nine hundred fifty (950) per cubic foot.

[Sheet Index Table](#)    [RP99-440-000](#)

First Revised Sheet No. 204 : Effective

Superseding: Original Sheet No. 204

GENERAL TERMS AND CONDITIONS
(continued)

Notwithstanding any other provision herein, Shipper may deliver at Transporter's Receipt Points gas that does not meet the quality specifications contained in 2.1(a) through (h) above, inclusive, so long as Transporter is satisfied that the blended gas stream at all Delivery Points meets the quality specifications, and so long as the safety and reliability of Transporter's system is not impaired, in Transporter's sole opinion, exercised in good faith; provided, however, if the blended gas stream at all Delivery Points does not meet the quality specifications or the safety and reliability of Transporter's system is impaired, in Transporter's sole opinion, exercised in good faith, Transporter will notify Shipper of such deficiency and if Shipper fails to remedy such deficiency promptly, the gas at the Receipt Point(s) most out of compliance with the quality specification shall be shut-in until the blended gas stream at the Delivery Point(s) meets the quality specification; and, if more than one Receipt Point is equally out of compliance, the shut-in shall be pro-rata as to those Receipt Points; provided further, that nothing herein shall restrict Transporter's right to refuse to accept further receipt of gas tendered for delivery to Transporter by Shipper which fails at any time to conform to the quality specifications in 2.1(a)

through (h) above if the safety and reliability of Transporter's system is impaired, in Transporter's sole opinion exercised in good faith.

2.2 Quality Tests:

- (a) The quality specifications of the gas delivered hereunder shall be determined by tests which Transporter shall cause to be made at each receipt and delivery point.
- (b) The heating value of the gas delivered shall be calculated from a chromatographic analysis of a representative gas sample collected daily during the month, or any other method mutually agreed upon. Such chromatographs shall be owned, operated, and maintained by Transporter at Representative locations on Transporter's system, or as agreed upon.
- (c) Tests shall be made to determine the total sulphur, hydrogen sulfide, carbon dioxide, nitrogen and oxygen content of the gas, by approved standard methods in general use in the gas industry, and to determine the hydrocarbon dewpoint and water vapor content of such gas by methods satisfactory to the parties. Tests shall be made frequently enough to assure that the gas is conforming continuously to the quality requirements. Transporter shall have the right to require Shipper to have remedied any deficiency of the gas in quality and, in the event such deficiency is not remedied,

[Sheet Index Table](#)    [RP96-392-000](#)

First Revised Sheet No. 205 : Effective

Superseding: Original Sheet No. 205

GENERAL TERMS AND CONDITIONS (continued)

the right, in addition to all other remedies available to it by law, to refuse to accept such deficient gas from Shipper until such deficiency is remedied.

3. MEASURING EQUIPMENT

- 3.1 Installation: At each Point of Receipt or Delivery all measuring equipment, devices and materials shall be furnished and installed, owned, maintained and operated as mutually agreed by the parties; provided, however, that Transporter may require, at its option, that Shipper bear the expense of furnishing and installing such equipment devices and materials in any instance in which such Shipper requests a new or additional Point of Delivery or Receipt for such Shipper's convenience. Shipper may install and operate check measuring equipment at its expense provided such installation and operation does not interfere with the use of Transporter's equipment.
- 3.2 Accessibility: Shipper shall provide or cause to be provided to Transporter, free of charge, sufficient space on the platforms designated as Points of Receipt on Appendix A for the Executed Service Agreement for Transporter to install and access by helicopter

or boat its measurement facilities.

- 3.3 Testing Meter Equipment: The accuracy of Transporter's measuring equipment shall be verified by test, at no more than forty-five (45) day intervals and at other times upon request of the Shipper. No less than 72 hours notice of the time and nature of the test shall be given by Transporter to permit convenient arrangement for the presence of Shipper's representative. If, after notice, the Shipper fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. If any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. All tests of such

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 206 : Effective

GENERAL TERMS AND CONDITIONS (continued)

measuring equipment shall be made at the expense of Transporter, except that the Shipper shall bear the expense of additional tests made at its request if the inaccuracy is found to be two percent (2%) or less.

- 3.4 Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount less than two percent (2%), previous readings shall be considered correct. If the inaccuracy exceeds two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any inaccurate period definitely known or agreed upon, or if not so known or agreed upon, for a period of one-half (1/2) of the elapsed time since the last test not to exceed a correction period of thirty (30) days. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:
- (a) By using the data recorded by any check measuring equipment accurately registering; or
 - (b) If such check measuring equipment is not registering accurately, but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or
 - (c) If neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

4. MEASUREMENT BASE

- 4.1 Metering: The gas shall be metered by one or more of the following: orifice, displacement or turbine type meters, at the discre-

tion of Transporter. When orifice meters are used, they shall be

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 207 : Effective

GENERAL TERMS AND CONDITIONS (continued)

installed and maintained, and volumes shall be measured in accordance with the methods prescribed in "Orifice Metering of Natural Gas", ANSI/API 2530, including the Appendix thereto, as published December 1985, or any subsequent revision thereof acceptable to both parties. If turbine meters are used, they shall be installed and operated in accordance with American Gas Association Transmission Measurement Committee Report No. 7. When displacement meters are used, the number of Mcf delivered hereunder shall be computed by including factors for pressure, temperature and deviation from Boyle's Law.

- 4.2 Deviation from Ideal Gas Laws: Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction, a quantitative analysis of the gas shall be agreed upon by both parties or by computations made in accordance with NX-19 of the American Gas Association and any modifications and amendments thereof applied in a practical manner.
- 4.3 Specific Gravity: The specific gravity of the gas delivered shall be calculated from a chromatographic analysis of a representative gas sample collected daily during the month, or any other method mutually agreed upon. Such chromatographs shall be owned, operated, and maintained by Transporter at representative locations on Transporter's system, or as agreed upon.
- 4.4 Flowing Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to both parties, installed and maintained in accordance with the specifications set forth in said ANSI/API 2530. The arithmetical average of readings each day for time that gas is flowing shall be deemed the gas temperature and used in computing the volumes of gas metered during such day.

[Sheet Index Table](#)    [RP97-110-001](#)

First Revised Sheet No. 208 : Effective

Superseding: Original Sheet No. 208

GENERAL TERMS AND CONDITIONS (continued)

4.5 Measurement: The Unit of Measurement for gas delivered or redelivered hereunder shall be one thousand (1,000) cubic feet, (one [1] Mcf) of gas at a base temperature of sixty degrees (60) Fahrenheit and at a base pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.




4.6 New Measurement Techniques: If at any time during the term hereof, a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted for the gas measurement set forth in this Section upon mutual agreement thereto by the Parties.

5. INSPECTION OF EQUIPMENT AND RECORDS

5.1 Inspection of Equipment and Data: Each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least three (3) years.

5.2 Information for Billing: When information necessary for billing by Transporter is in the control of Shipper, Shipper shall furnish the actual information to Transporter on or before the fifth (5th) working day of the month following the billing month.

Monthly Measurement. Transporter shall include any corrections received on or before five (5) working days after the month in preparation of monthly measurement statements. Measurement data available upstream of aggregated points should be sent to the allocating party and used to allocate the aggregated volume back to the upstream points. The monthly measurement set will serve as the basis upon which allocations are performed. For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Transporter shall process prior period adjustments within six (6) months of the monthly measurement for the respective month, subject to an additional three (3) month period for an affected party, including Transporter, to challenge any prior period adjustment. Such processing limitations shall not apply in the case of deliberate omission or misrepresentation to limit Shipper's or Transporter's other statutory or contractual rights. To the extent an interconnecting party is contractually or statutorily permitted to process adjustments beyond the six (6) month period above, Transporter shall be permitted to process such corresponding adjustments to Shippers.




[Sheet Index Table](#)    [RP97-110-001](#)

Original Sheet No. 208A : Effective

GENERAL TERMS AND CONDITIONS
(continued)

5.3 Verification of Computations: Each party shall have the right to examine at reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any

statement, charge or computation made pursuant to these General Terms and Conditions and to the Rate Schedules to which they apply.

[Sheet Index Table](#)    [RP02-454-000](#)

Second Revised Sheet No. 209 : Effective

Superseding: First Revised Sheet No. 209

GENERAL TERMS AND CONDITIONS (continued)

6. BILLING AND PAYMENTS

- 6.1 Billing: On or before the tenth (10th) day of each month, Transporter shall render to each Shipper a bill for the actual service rendered during the immediately preceding month ("billing month") if actual data is available. All statements should be standardized to the same level of detail. The specific minimum level of detail on invoice, remittance and statement of an account should be guided by the development of data elements. If actual data is not available, billing will be on an estimated basis and such estimate will be corrected to actual tools on the billing immediately following receipt by Transporter of such actual data. Bills will utilize the descriptions and charge codes set forth in the NAESB Standards. Transportation bills shall specify all rate components, and shall separately state the net billing rate and any discount, if applicable, and any prior period adjustments. Prior period adjustments are reported by production date, but they do not have to be invoiced separately by production month - nor is each production month a separate paper invoice page. Required invoice backup data should accompany or precede this invoice. Regarding inadequate detail, supporting documentation should be provided upon request, with timing of supporting documentation to follow the timing of the flowing gas transactions.
- 6.2 Payment: Within ten (10) calendar days after the date of receipt of billing invoice, or the next business day in the event the tenth (10th) day is a weekend or bank holiday, Shipper shall provide any supporting documentation, including invoice number(s), and shall pay Transporter by check, or by wire transfer of federal funds, the amount of the bill rendered by Transporter for the billing month in accordance with Section 6.1. For purposes of this Section, the date of receipt of billing invoice is deemed to be three (3) days after the postmark date. Any payment shall be considered to have been made on the date such payment is transferred by Shipper to the address designated by Transporter. If presentation of a bill by Transporter is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay. If Shipper has notified Transporter in writing of an error in invoice during the period for which a genuine dispute exists as to the alleged error, Shipper shall pay the portion of the invoiced amount which is not in dispute and shall provide documentation identifying the basis for the dispute.

Third Revised Sheet No. 209A : Effective

Superseding: Second Revised Sheet No. 209A

GENERAL TERMS AND CONDITIONS (continued)

- 6.3 Interest on Unpaid Amounts: Should Shipper fail to pay the amount of any bill rendered by Transporter when such amount is due, interest shall accrue thereon at a rate of interest equal to the then effective rate computed in the manner set forth in the Commission's Regulations.
- 6.4 Remedies for Failure to Pay: If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have, may suspend gas transportation service with ten (10) days notice until such amount, including interest, is paid unless Shipper in good faith disputes the amount owing and pays or provides guarantee of payment of all amounts not subject to such good faith dispute.
- 6.5 Statement of Account. Transporter shall provide Shipper with a detailed Statement of Account in accordance with the NAESB Standards, which statement shall indicate any outstanding amounts by invoice.

Second Revised Sheet No. 210 : Effective

Superseding: First Revised Sheet No. 210

GENERAL TERMS AND CONDITIONS (continued)

- 6.6 Adjustment of Billing Error: In the event an error is discovered in any bill rendered by Transporter, the amount of such error shall be adjusted within thirty (30) days after discovery, provided that claim therefore shall have been made within six (6) months from the date such bill was rendered subject to an additional three (3) month period for an affected party to challenge the error. Such processing limitations shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Nothing herein shall be construed to limit Shipper's or Transporter's other statutory or contractual rights. To the extent an interconnecting party is contractually or statutorily permitted to process adjustments beyond the six (6) month period above, Transporter shall be permitted to process such corresponding adjustments to Shippers.

7. NOTICE OF CHANGES IN OPERATING CONDITIONS

Transporter and Shipper shall notify each other from time to time as necessary of expected changes in the rates of delivery or receipt of gas, or in the pressures or other operating conditions, and the reason for such expected changes, to the end that the other party may be prepared to meet them when they occur.

8. FORCE MAJEURE

8.1 If either party shall fail to perform any obligation imposed upon it by these General Terms and Conditions or by an executed Service Agreement, and such failure shall be caused, or materially contributed to, by: any acts of God; strikes; lockouts; or other industrial disturbances; act of public enemies; sabotage; wars; blockades; insurrections; riots; epidemics; landslides; lightening; earthquakes; floods; storms; fires; washouts; arrests and restraints of rulers and peoples; civil disturbances; explosions; breakage of or accident to machinery or lines of pipe, materials or equipment; the failure of any of Shipper's gas suppliers to deliver gas, or failure of Shipper to receive gas, in accordance with its obligations if such failure

[Sheet Index Table](#)    [RP99- 15-000](#)

Second Revised Sheet No. 211 : Effective

Superseding: First Revised Sheet No. 211

GENERAL TERMS AND CONDITIONS (continued)

is occasioned by an event or occurrence of the character described in this Section as constituting force majeure; any legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means; any act of omission whether of the kind herein enumerated or otherwise not within the control of the party invoking this Section and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning machinery, equipment, or pipelines, not resulting from the fault or negligence of such party; such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of the opposing parties.

8.2 No such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

9. NOMINATIONS, CONFIRMATION, SCHEDULING AND CURTAILMENT

9.1 Nomination:

A. General

Quantities nominated and scheduled shall be reflected in MMBtu. Unless otherwise agreed to by Transporter, Shipper shall nominate in writing to Transporter's Gas Management and Control Department the following information:

- (1) The contract number under which service is being nominated;
- (2) The quantity in dekatherms per day of gas to be tendered at each receipt point;
- (3) The quantity in dekatherms per day of gas to be tendered at each receipt point;
- (4) The term of the nomination. All nominations should be considered original nominations and should be replaced to be changed.
- (5) A receipt and delivery rank for each upstream and downstream party can be submitted by Shipper. This will be used when making reductions during the scheduling processing.

[Sheet Index Table](#)    [RP02-454-001](#)

Substitute Second Revised Sheet No. 211A : Effective

Superseding: First Revised Sheet No. 211A

GENERAL TERMS AND CONDITIONS (continued)

The total receipt nominations must equal the total delivery nominations, with the exception of quantities nominated to correct an imbalance.

A package ID is a way to differentiate between discrete business transactions. When used, Package ID should be supported for nominating, scheduling, allocating, and invoicing (sales and purchase), and not required for transportation invoicing. Use of the Package ID is at the discretion of the service requester, and if sent, should be accepted and processed by the service provider.

If Shipper fails to comply with provisions (1) through (4) of this Section 9.1.A, Transporter shall not schedule the commencement of service or change to a prior nomination. Transporter supports a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven-days-a-week, twenty-four-hours-a-day nominations process is dependent on the availability of affected parties scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites, but should be available by beeper.

Overrun quantities must be scheduled as a separate transaction.

B. Nomination Timeline

Transporter and Shipper shall support the following minimum NAESB standard nomination cycles as set forth below in (1) and

(2). Such nomination opportunities shall represent the grid-wide synchronization times across the North American pipeline network.

(1) Nominations for the Upcoming Gas Day

- (a) The Timely Nomination Cycle. 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs)); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and point operator (Central Clock Time on the day prior to flow).

[Sheet Index Table](#)    [RP02-454-001](#)

Substitute First Revised Sheet No. 211B : Effective

Superseding: Substitute Original Sheet No. 211B

GENERAL TERMS AND CONDITIONS (continued)

- (b) The Evening Nomination Cycle. 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the day prior to flow). Scheduled quantities resulting from an Evening Nomination that do not cause another Shipper to receive notice that it is being bumped should be effective at 9:00 a.m. on the gas day; and when an Evening Nomination causes another Shipper to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the gas day.

(2) Intraday Nominations

- (a) The Intraday 1 Nomination Cycle. 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the gas day). Scheduled quantities resulting from Intraday 1 nominations should be effective at 5:00 p.m. on the gas day.
- (b) The Intraday 2 Nomination Cycle. 5:00 p.m. for nominations leaving

control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators (Central Clock Time on the gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on the gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

For purposes of Section 9.1.B(1)(b), (2)(a) and (2)(b), "provide" shall mean, for transmittals pursuant to standards 1.4.x (NAESB standards relating to nomination datasets), receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

[Sheet Index Table](#)    [RP03-472-000](#)

First Revised Sheet No. 211C : Effective

Superseding: Substitute Original Sheet No. 211C : Effective

GENERAL TERMS AND CONDITIONS
(continued)

There is no limitation as to the number of intraday nominations which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. Intraday nominations will be effective for a single gas day, and will not remain in effect for prospective gas days. There is no need to renominate if intraday nomination modifies existing nomination. Intraday nominations must have a beginning and ending time. To the extent, a Shipper submits an intraday nomination which specifies an effective term of longer than one day, Transporter shall make the nomination effective for the first day of the effective period on an intraday basis for the applicable nomination cycle. The nomination then will be processed as a Timely Nomination for the remaining effective term of the nomination. 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. Intraday nominations may be used to nominate new supply or market.

In the event capacity remains available after gas has been scheduled or as a result of an operational or weather situation, then Transporter may accept nominations or schedule service after the time deadlines set forth above. Any written nominations received after the above stated deadlines will be scheduled after nominations received before the nomination deadline.

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

Nominations submitted by a firm Shipper during the Evening or Intraday 1 Nomination Cycles shall be given scheduling priority over nominated and scheduled volumes for interruptible Shippers. Bumping is not permitted during the Intraday 2 Nomination Cycle.

When an interruptible Shipper's scheduled volumes are to be reduced as a result of a nomination submitted by a firm Shipper during the Evening or Intraday 1 Nomination Cycles, Transporter shall provide such interruptible Shipper advance notice that its scheduled volumes are to be reduced. Such notification shall be as set forth in Section 9.3 herein.

[Sheet Index Table](#)    [RP99- 15-002](#)

Substitute Original Sheet No. 211D : Effective

GENERAL TERMS AND CONDITIONS (continued)

9.2 Confirmation: All nominations must be confirmed by Shipper in writing via telecopy on the date of the nomination and must contain a contact person for upstream and downstream confirmation. Nominations shall not become effective until Transporter has confirmed the nominated receipts and deliveries with the upstream and downstream parties. If such confirmation cannot be obtained, transportation service will be delayed until such confirmation is obtained.

With respect to the Timely Nomination Cycle at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

With respect to the processing of requests for increases during the Evening, Intraday 1 or Intraday 2 Nomination Cycles, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

With respect to the processing of requests for decreases during the Evening, Intraday 1 or Intraday 2 Nomination Cycles, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

With respect to the preceding three paragraphs, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:

- (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
- (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;

[Sheet Index Table](#)    [RP99- 15-002](#)

Original Sheet No. 211E : Effective

GENERAL TERMS AND CONDITIONS (continued)

- (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
- (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

- 9.3 Scheduling: Transporter shall schedule transportation quantities based on Shippers' nominations, in accordance with the following priorities:

[Sheet Index Table](#)    [RP00-335-003](#)

Fifth Revised Sheet No. 212 : Effective

Superseding: Fourth Revised Sheet No. 212

GENERAL TERMS AND CONDITIONS (continued)

1. Firm transportation from Primary Receipt Points to Primary Delivery Points within the MDTQ specified in Shippers' FTS Service Agreement, including capacity acquired through the capacity release mechanism set forth in Section 10 herein.

Service

2. Alternate Firm transportation within the MDTQ specified in Shipper's FTS Agreement utilizing either an Alternate Receipt or Alternate Delivery Point.

Service

3. Interruptible transportation within the MDTQ specified in Shippers' ITS Agreement if sufficient capacity exists or becomes available to accommodate all nominated volumes. In the event nominations exceed available capacity,

Transporter will schedule volumes based on the rate being paid. If two or more Shippers are paying the same rate, then a pro rata allocation will be made.

4. Transportation quantities requested by Shippers in excess of the MDTQ in Shipper's FTS or ITS Service Agreement.

Shippers not paying the maximum transportation rates set forth on Sheet No. 4 will be scheduled with a lower priority, beginning with the Shippers paying the highest discounted rate within each scheduling category described in (3) and (4) above, unless and until Shipper notifies Transporter in writing that Shipper is willing to pay such Maximum Rate for any quantity scheduled.

Transporter shall notify affected Shippers, point operators and bumped parties, on or before the times established in the Nomination Cycles set forth in Section 9.1.B(1) and (2), of the quantities of gas scheduled, including intraday nominations and other changes, for receipt from and delivery to or for the account of Shipper. At the end of each gas day, Transporter shall provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transporter shall send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive Transporter's sending of the end of gas day Scheduled Quantity document. In addition, Transporter shall provide direct notice of any bumped quantities using Internet E-mail or direct notification to interruptible Shipper's Internet URL address. Shipper is responsible for providing current addresses to Transporter. Failure of Shipper to maintain current addresses on file with Transporter will relieve Transporter of this obligation.

[Sheet Index Table](#)    [RP00-335-003](#)

Sixth Revised Sheet No. 213 : Effective

Superseding: Fifth Revised Sheet No. 213

GENERAL TERMS AND CONDITIONS (continued)

9.4 Curtailment: When Transporter needs temporarily to curtail or interrupt service to Shipper hereunder in any portion of the said pipeline system for the purpose of making necessary alterations or repairs thereon, conditions of Force Majeure, or for any other reason, Transporter shall give Shipper as much notice as possible. Transporter shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary.

Service shall be curtailed as follows:

1. Interruptible transportation quantities (including quantities in excess of MDTQ under an FTS Service Agreement) based on the rate being paid, and on a pro rata basis for Shippers paying the same rate.
2. Firm transportation quantities within the Shippers' MDTQ under a FTS Service Agreement whether a primary or alternate point on a pro rata basis on the basis of each Shipper's daily nominations to the total daily nominations of all Shippers receiving firm transportation service.

Shippers receiving interruptible service not paying the Maximum Rate under category 1 will be curtailed first, beginning with the Shipper paying the lowest discounted rate; provided however, that any Shipper who notifies Transporter in writing that Shipper is willing to pay the maximum rate will be curtailed last within each category above in accordance with the other provisions contained in such paragraph, if applicable.

[Sheet Index Table](#)    [RPO03-351](#)

Fourth Revised Sheet No. 213.01 : Effective

Superseding: Third Revised Sheet No. 213.01

GENERAL TERMS AND CONDITIONS (continued)

10. REALLOCATION OF CAPACITY

10.1 Capacity Release Mechanism

Shippers receiving firm service pursuant to Transporter's FTS Rate Schedule will have the ability to relinquish all or part of their firm capacity on a temporary or permanent basis. Additionally, an Acquiring Shipper may re-release acquired capacity subject to the terms and conditions attached to the acquired capacity in all previous releases. Transporter shall post all capacity release offers and bids, including capacity released on a prearranged basis, upon receipt, unless releasing Shipper requests otherwise. If a releasing shipper requests a posting time, Transporter will support such request, so long as it complies with the capacity release timeline. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be creditworthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release. Temporary and permanent relinquishments shall be accomplished in the following manner.

Non-Biddable relinquishments are relinquishments for 31 days or less (subject to the Rollover Limitations of Section 10.1D. of these General Terms & Conditions) and relinquishments at the maximum rate. All other relinquishments shall be biddable. For Non-Biddable relinquishments, the Acquiring Shipper must notify Transporter of a Non-Biddable relinquishment at least one hour prior to the nomination deadline for each of the four nomination cycles. Posting of the Non-Biddable relinquishment shall be in accordance with the following timeline:

Timely Nomination Cycle: Posting on Non-Biddable relinquishment due by 10:30 A.M.;

Evening Nomination Cycle: Posting of Non-Biddable relinquishment due by 5:00 P.M.;

Intraday 1 Nomination Cycle: Posting of Non-Biddable relinquishment due by 9:00 A.M.;

Intraday 2 Nomination Cycle: Posting of Non-Biddable relinquishment due by 4:00 P.M.

Transporter shall tender a contract within one hour of the posting of the Non-Biddable relinquishment. Acquiring Shipper may nominate at the next available nomination cycle for the effective date of the contract.

[Sheet Index Table](#)    [RP02-454-000](#)

Original Sheet No. 213.02 : Effective

GENERAL TERMS AND CONDITIONS (continued)

- 10.1.A.1 Capacity Release Timeline For Short Term Releases (less than 1 year)
- a. Offers must be tendered by 12:00 P.M. on a business day;
 - b. Open season ends no later than 1:00 P.M. on a business day;
 - c. Evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - d. Evaluation period ends at 2:00 P.M.;
 - e. Match or award is communicated by 2:00 P.M.;
 - f. Match response by 2:30 P.M.;
 - g. Award posted by 3:00 P.M.;
 - h. Contract issued within one hour of award posting; nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)
- 10.1.A.2. Capacity Release Timeline For Longer Term Releases (1 year or more)
- a. Offers must be tendered by 12:00 P.M. four business days before award;
 - b. Open season ends no later than 1:00 P.M. on the business day before nominations are due (open season is three business days);
 - c. Evaluation period begins at 1:00 P.M. (on the day before nominations are due) during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - d. Evaluation period ends at 2:00 P.M.;
 - e. Match or award is communicated by 2:00 P.M.;
 - f. Match response by 2:30 P.M.;
 - g. Award posting by 3:00 P.M.;
 - h. Contract issued within one hour of award posting; nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

[Sheet Index Table](#)    [RP02-568-000](#)

Second Revised Sheet No. 213A : Effective

Superseding: First Revised Sheet No. 213A

GENERAL TERMS AND CONDITIONS (continued)

- 10.1A.3 Shippers desiring to release firm capacity ("Releasing Shipper") shall submit the following information to Transporter, which shall be placed on the Transporter's Internet web site if valid.
- i. Quantity in dekatherms per day (MDTQ) to be released;
 - ii. The contract number(s) of the Releasing Shipper's Service Agreement(s) and the path of released capacity (path between Primary Receipt Point(s) and Primary Delivery Point(s));
 - iii. Term of release (number of months or permanent);
 - iv. Identity of any replacement Shipper ("Replacement Shipper");
 - v. Conditions of release;
 - (a) whether bids for less than the full volume offered are acceptable;
 - (b) whether bids for less than the full term are acceptable;
 - (c) whether bids may be submitted that are contingent on the award of upstream or downstream capacity on another pipeline system and the deadline for removing such contingency;
 - (d) any changes in the bidding deadlines so long as any changes comport with the capacity release timelines;
 - (e) one of the following methods to evaluate bids 1) highest rate 2) net revenue and 3) present value;
 - (f) a nondiscriminatory tie breaker in determining best bid if different than in Section 10.1.C.;
 - (g) whether there is a minimum price (including reservation surcharges) below which the Shipper will not release capacity;




[Sheet Index Table](#)    [RP003-351](#)

Second Revised Sheet No. 213A.01 : Effective

Superseding: First Revised Sheet No. 213A.01

GENERAL TERMS AND CONDITIONS (continued)

- (h) whether bids should be expressed in dollars and cents or a percent of the maximum tariff rate (including surcharges)
 - (i) whether the Releasing Shipper will accept volumetric bids and volumetric commitments;
 - (j) other special conditions; if any.
- vi. Conditions of recall in accordance with NAESB Standards (including reput method and rights); provided, however, that Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination Cycle and the Evening Nomination Cycle, and recall unscheduled released capacity at the Intraday 1 Nomination Cycle and Intraday 2 Nomination Cycle by providing notice to Transporter via facsimile to (918) 573-9949 by the following times for each cycle: 8:00 a.m. CCT for the Timely Nomination Cycle; 5:00 p.m. CCT for the Evening Nomination Cycle; 8:00 a.m. CCT for the Intraday 1 Nomination Cycle, and 3:00 p.m. CCT for the Intraday 2 Nomination Cycle. Notification to Acquiring Shipper will be provided by Transporter within one hour of receipt of recall notification.

[Sheet Index Table](#)    [RP03-472-000](#)

Fifth Revised Sheet No. 213B : Effective

Superseding: Fourth Revised Sheet No. 213B

GENERAL TERMS AND CONDITIONS (continued)

The following shall be posted by Transporter with each offer: (i) the maximum reservation charge, (and reservation surcharges) applicable to the capacity being released, (ii) the maximum reservation charge (and reservation surcharges) converted to a 100% load factor volumetric rate if offer allows bids on a volumetric rate basis, (iii) the date and time the offer was posted on Transporter's Internet web site. A Releasing Shipper will not be able to specify an extension of the original bid period or the prearranged deal match period without posting a new release. Transporter shall remove any such postings at the end of the calendar month.

Once capacity is posted on the Transporter's Internet web site, it may be withdrawn from the bidding process any time due to an unanticipated change in the Releasing Shipper's need for capacity, through written notice to Transporter so long as no bids have been submitted which meet the minimum conditions of release. Offers should be binding until written or electronic notice of withdrawal is received by the capacity release service provider. The Releasing Shipper must notify Transporter of such change and such notice will be posted on Transporter's Internet web site.

10.1 B. Shippers desiring to acquire the released capacity shall submit the following information to Transporter. The information in (iii)-(vi) shall be placed on the Transporter's Internet web site if valid. Bids

to acquire released capacity are binding until withdrawn at any time by written notice to Transporter prior to the conclusion of the bidding period. Provided that having withdrawn a bid, the Shipper may not resubmit a bid for the same contract at a lower rate. Transporter shall post the bidder's name if bidder agrees to such posting.

i. Company Information. Unless already provided, an acquiring Shipper must submit the information specified in Section 4.1(a)-(e) of the FTS Rate Schedule;

ii. Creditworthiness. Unless previously determined to be creditworthy by Transporter, Shipper shall provide the information necessary to establish creditworthiness to acquire the relinquished capacity;

iii. Quantity (MDTQ) of released capacity to be acquired;

[Sheet Index Table](#)    [RP97-110-001](#)

First Revised Sheet No. 213C : Effective

Superseding: Original Sheet No. 213C

GENERAL TERMS AND CONDITIONS (continued)

- iv. The contract number and path of capacity to be acquired (if different from path relinquished);
- v. The reservation charge bid, or the volumetric rate bid if allowed by Releasing Shipper;
- vi. Term Shipper is willing to acquire capacity,
- vii. If contingent bids are allowed by Releasing Shipper, the criteria of the contingency; and
- viii. Whether the bid is a Prearranged Bidder.

Prearranged Bidder's Right to Match. A prearranged bid shall constitute the minimum bid for all other bidders. If Transporter does not receive a better bid by the date on which bids are due, the prearranged bid shall be the winning bid. If Transporter does receive a better bid by the date on which bids are due, the Prearranged Bidder shall have the right to match the terms of the better bid and shall be deemed to have made the best bid.

A potential Acquiring Shipper may post an offer to acquire capacity under the terms of this Section.

10.1 C. Allocation of Released Capacity through bidding procedures. Transporter shall make a preliminary determination of whether Transporter is physically able to accommodate the requests of individual Replacement Shippers based on the specific capacity released. Between requests, which Transporter deems that it is physically able to accommodate, Transporter shall allocate released capacity in the following manner:

- a) Transporter will evaluate and rank all bids and will award bids, best bid first, until all offered capacity is awarded.
- b) In the event more than one Replacement Shipper offers the highest rate and meets the terms and conditions of the release, unless Releasing Shipper specifies another non-discriminatory

[Sheet Index Table](#)    [RP03-472-000](#)

Fourth Revised Sheet No. 213D : Effective

Superseding: Third Revised Sheet No. 213D

GENERAL TERMS AND CONDITIONS (continued)

method, Transporter shall allocate capacity to such Shippers on a pro rata basis.

- 10.1 D. Rollover Limitations: Prearranged relinquishments for 31 days or less are not subject to open season bidding except as provided below. Prearranged relinquishments for 31 days or less under this provision may not be permitted to rollover, or otherwise be extended beyond the initial term of the release. The Acquiring Shipper, its designee or affiliate may not acquire capacity under this provision from the releasing Shipper for twenty-eight (28) days following the expiration of the release under this provision without such acquisition being subject to posting and bidding requirements.

In the event the temporary release is not at the maximum rate for the rate schedule under which the capacity is released and not subject to the 31 days or less provision, then the subject eligible capacity shall be subject to an open season bidding and the right to match.

- 10.1 E.1. Releasing Shipper;s and Acquiring Shipper's Obligations.
Acquiring Shipper: To bid on capacity offered under temporary or permanent releases, the bidder must have preapproved credit under Section 17. Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Transporter chooses such bid as the

[Sheet Index Table](#)    [RS92- 56-001](#)

Original Sheet No. 213E : Effective

GENERAL TERMS AND CONDITIONS (continued)

"best bid" under Section 10.1.C. Once a bid on an offer of

temporary or permanent release of capacity is accepted, the Acquiring Shipper shall execute a separate Service Agreement with Transporter under the terms and conditions of Transporter's FERC Gas Tariff.

Releasing Shipper: The Releasing Shipper shall remain fully liable on its existing Service Agreement with Transporter for the payment of all reservation charges for the contract quantities.

E.2 Billing and Payment. The Releasing Shipper's bill for a month in which it released capacity on a temporary basis shall be credited by the amount Transporter bills Acquiring Shipper for the released capacity; provided however, that if Acquiring Shipper fails to pay Transporter the amount credited to Releasing Shipper's bill, Transporter reserves the right to reverse the credit on Releasing Shipper's bill in a later month. The Releasing Shipper is not responsible for any commodity charges or penalties incurred by Acquiring Shipper; provided however, that Releasing Shipper is responsible for any reservation charges associated with capacity rights obtained by volumetric bids. If any of the rates billed to and paid by the Acquiring Shipper under its Service Agreement exceeds the rate the Commission determines to be just and reasonable and Transporter is ordered to make refunds, the Acquiring Shipper shall be eligible to receive such refunds to the extent of any payments it made are in excess of the rates the Commission subsequently determined to be just and reasonable.

10.1 F. Marketing Fee. Transporter may receive compensation for actively marketing and successfully placing released capacity. The level of such compensation shall be negotiated between Transporter and Releasing Shipper and proceeds received from the placement of capacity and will be deducted from the reservation fee credit due releasing Shipper.


[Sheet Index Table](#)    [RP98-274-000](#)

Second Revised Sheet No. 213F : Suspended

Superseding: First Revised Sheet No. 213F

GENERAL TERMS AND CONDITIONS
(continued)

Reserved for Future Use

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 214 : Effective




GENERAL TERMS AND CONDITIONS
(continued)

11. WARRANTY OF TITLE

Shipper warrants that it will at the time of delivery have title to all gas delivered by it to Transporter for transportation by Transporter free and clear of all liens and encumbrances and adverse claim of every kind. Transporter warrants that at the time of delivery of such gas to Shipper such gas will be free and clear of all liens and encumbrances. Transporter and Shipper will each indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees, royalties or charges which are applicable prior to the time of delivery of such gas to such other party. Shipper will indemnify Transporter and save it harmless from all taxes and assessments, levied and assessed upon the sale and delivery of such gas to Shipper and upon such gas prior to and upon delivery of such gas to Shipper and upon such gas prior to and upon delivery of such gas to Transporter for transportation. Transporter will indemnify Shipper and save it harmless from all taxes and assessments levied and assessed upon the transportation of such gas. Title to all gas transported and delivered by Transporter shall remain in the person holding title at the time of receipt by Transporter.

12. POSSESSION OF GAS AND RESPONSIBILITY

As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of, and responsible for, all gas delivered to Transporter at the Point(s) of Receipt, after which Transporter shall be deemed to be in control and possession of, and responsible for, such gas until it is delivered at the Point(s) of Delivery. While in control and possession, the party in control and possession shall be responsible for and shall indemnify and hold harmless the other party from and against any damage or injury caused thereby. The foregoing provisions of this Section shall not relieve either party from responsibility for acts of negligence of such party, its agents or

[Sheet Index Table](#)    [CP89-2041-001](#)

Original Sheet No. 215 : Effective

GENERAL TERMS AND CONDITIONS
(continued)

employees. Gas received for transportation by Transporter may be commingled with other gas in Transporter's system, and the specific gas made available by Shipper for transportation may not be the same gas delivered to Shipper.

13. LIABILITY OF PARTIES

Transporter and Shipper each assume responsibility and liability for the installation, maintenance and operation of its respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all losses, damages,

claims or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of the indemnifying party.

14. MISCELLANEOUS PROVISIONS

14.1 Waiver of Default: No waiver by either party of any default by the other in the performance of any provisions of an executed Service Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.

14.2 Successors and Assigns: Any party which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of any party shall be subject to the obligations of its predecessor in title under a Service Agreement. No other assignment of a Service Agreement or any of the rights or obligations thereunder shall be made; provided, however, that nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under any Service Agreement.