

## 5.0 FIRM TRANSPORTATION SERVICE

### 5.1 AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has executed a Service Agreement pursuant to this Tariff, providing for the firm transportation of gas and/or other services by Pipeline.

### 5.2 APPLICABILITY AND CHARACTER OF SERVICE

- 5.2.1 This rate schedule shall apply to firm transportation service rendered by Pipeline for Shipper pursuant to Part 284 of the FERC's regulations and pursuant to the Service Agreement for transportation service under Rate Schedule FT. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.
- 5.2.2 Service hereunder is available on any Gas Day and will be firm, except as provided herein, in the effective Service Agreement and in Pipeline's GT&Cs.
- 5.2.3 Pipeline will receive for Shipper's account for transportation hereunder daily quantities of gas up to Shipper's Maximum Daily Transportation Quantity ("MDTQ"), plus an amount reflecting the Fuel Retainage Percentage as determined in GT&Cs Section 8.22, at the Receipt Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs. Such MDTQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Shipper's account such quantities tendered to Pipeline, on a daily basis up to Shipper's MDTQ, at the Delivery Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs.
- 5.2.4 Authorized Overrun Service ("AOS") may be available to Shippers that have executed Firm Transportation Agreements. Pipeline will determine the amount of capacity that is available for AOS, which will vary depending on a number of factors. For quantities of gas received under AOS, Shippers shall be responsible for an amount reflecting the Fuel Retainage Percentage as determined in GT&Cs Section 8.22.
- 5.2.5 Pipeline shall not be obligated to construct, modify or add any facilities to expand the capacity of its pipeline system in any manner or otherwise in order to provide transportation services to Shipper pursuant to this Rate Schedule; provided, however, Pipeline may, at its option, add facilities or expand capacity to provide such service, and, provided, further, Pipeline

is obligated to maintain its facilities in a manner that will allow it to provide firm certificated service in accordance with the contracted obligations.

- 5.2.6 Transportation of the gas received by Pipeline at the Primary Receipt Point(s) specified in Exhibit A of the Service Agreement for Rate Schedule FT for Shipper's account under this Rate Schedule and the delivery of such gas to the Delivery Point(s) specified in Exhibit B of the Service Agreement shall be on a firm basis and shall not be subject to limitation or interruption, except as provided in GT&Cs Sections 8.9, 8.10 and 8.21 or pursuant to order of the Commission. Firm transportation services under this Rate Schedule shall have priority over all of Pipeline's interruptible services.
- 5.2.7 The transportation of gas under this Rate Schedule at Secondary Receipt Point(s) and Secondary Delivery Point(s) shall be subject, in Pipeline's reasonable judgment, to the availability of capacity in Pipeline's facilities and to the operating conditions and system requirements of Pipeline. Transportation of gas under this Rate Schedule at any Secondary Receipt Point(s) and Secondary Delivery Point(s) shall be on a secondary basis and shall have a priority over the transportation of gas for Pipeline's interruptible services and a priority subordinate to the delivery of gas at the Primary Receipt Point(s) and Primary Delivery Point(s) specified in the Service Agreements under this Rate Schedule.

### 5.3 RATES AND CHARGES

- 5.3.1 The applicable unit rates for service hereunder are set forth in Section 4 of this Tariff and are incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to GT&Cs Section 8.22 through 8.28.
- 5.3.2 The rates stated in Section 4 of this Tariff set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rates for service under this Rate Schedule unless Pipeline, in its reasonable judgment, offers to discount its rates to Shipper under GT&Cs Section 8.28, or unless the parties have agreed to a Negotiated Rate under GT&Cs Section 8.27. Any discount or Negotiated Rate agreed to by Pipeline and the effective period thereof shall be stated on an executed Exhibit C to the Service Agreement, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of GT&Cs Section 8.28. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in Section 4 of this Tariff.

- 5.3.3 Effective as of the Date of Commencement of Service, as provided for in the effective Service Agreement, Pipeline shall charge and Shipper shall pay Pipeline for transportation service, under this Rate Schedule each applicable Month during the year, the sum of the following amounts:
- 5.3.3.1 Monthly Reservation Rate: The applicable Reservation rate, as determined pursuant to Section 5.3.1 herein, multiplied by the MDTQ.
  - 5.3.3.2 Monthly Usage Charge: The applicable Usage Charge shall be the rate as set forth in Section 4 multiplied by the daily flow allocated in accordance with this Rate Schedule.
  - 5.3.3.3 Fuel Retainage Percentage: A percentage of the quantity of gas delivered by Shipper for transportation and accepted by Pipeline at the Receipt Point(s). The percentage of the quantity of gas retained by Pipeline for such purposes shall be set in Section 4 of this Tariff; changes to such percentages shall be made effective only at the beginning of a Month. This shall apply except for backhaul service.
  - 5.3.3.4 Penalties and Surcharges: In addition to the charges specified above, Shipper shall pay to Pipeline any penalties and surcharges applicable to service hereunder as may be set forth from time to time in the GT&Cs Sections 8.7, 8.9, 8.10, 8.12 and 8.22-8.28 and approved by the Commission.
  - 5.3.3.5 Facilities: All costs, including reasonable overheads and taxes, actually incurred by Pipeline in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for the receipt, measurement, or transportation of gas for Shipper's account which Shipper requests and Pipeline, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in Pipeline. Shipper shall pay Pipeline for such costs within ten (10) days of receipt of Pipeline's invoice detailing the amount of such costs or as otherwise agreed.
  - 5.3.3.6 Third Party Charges. The applicable reimbursement of charges by any third-party provider of Off-System Capacity as provided for in Section 8.43 of the GT&Cs.

## 5.4 RECEIPT AND DELIVERY POINTS

- 5.4.1 The Primary Receipt Point(s) at which Pipeline shall receive gas for transportation hereunder shall be specified in an Exhibit A to the Service Agreement between Pipeline and Shipper, which may be superseded by a new Exhibit A in order to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Receipt Point(s) if to do so would, in Pipeline's reasonable judgment, impair Pipeline's ability to satisfy existing firm obligations, to maintain system integrity or to receive Fuel Retainage Percentage at maximum deliverability levels or if the resulting aggregate firm Maximum Daily Receipt Quantity ("MDRQs") would exceed Shipper's MDTQ or the capacity requested by Shipper is not available at the Primary Receipt Point(s).

Notwithstanding the foregoing, all Receipt Points shall be available for use by Shipper as Secondary Receipt Points subject to reduction by the Pipeline based on the Tariff scheduling, OFO, curtailment allocation and force majeure and related provisions in the GT&Cs Sections 8.6, 8.9, 8.10 and 8.21 respectively.

- 5.4.2 The Primary Delivery Point(s) at which Pipeline shall deliver gas for Shipper's account under this Rate Schedule shall be specified in Exhibit B to the Service Agreement between Pipeline and Shipper which may be superseded by a new Exhibit B in order to add or delete specific points or make other changes thereto the parties deem appropriate.

Pipeline shall not accept any proposed Primary Delivery Point(s) or quantity at any Primary Delivery Point(s), or change in quantities among Primary Delivery Point(s) if the resulting aggregate Maximum Daily Delivery Quantity ("MDDQs") at all of Shipper's Primary Delivery Point(s) would exceed one hundred percent (100%) of Shipper's MDTQ or the capacity requested by Shipper is not available at the Primary Delivery Point.

Notwithstanding the foregoing, all Delivery Points, shall be available for use by Shipper as Secondary Delivery Points subject to reduction by Pipeline based on the Tariff scheduling, OFO, curtailment allocation and force majeure and related provisions in the GT&Cs Sections 8.6, 8.9, 8.10 and 8.21 respectively.

- 5.4.3 If Shipper desires transportation of natural gas on any Gas Day under this Rate Schedule, Shipper must nominate service in accordance with GT&Cs Section 8.5 and, Pipeline must schedule services in accordance with GT&Cs Section 8.6.

5.4.4 It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by Pipeline for transportation and the daily quantities of gas delivered by Pipeline under this Rate Schedule. Shipper shall use reasonable efforts to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5.4.5 Shipper shall also have the right to segment its capacity by nominating service using separate segments or through the release of capacity within its Capacity Path in accordance with GT&Cs Section 8.11. Shipper shall also have right to segment its capacity outside its Capacity Path in accordance with GT&Cs Section 8.5.7. Service at any Primary and Secondary Receipt and Delivery Point(s) subject to backhaul transportation and segmentation shall be made available to Shipper subject to the nomination and scheduling provisions of GT&Cs Sections 8.5 and 8.6.

## 5.5 IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&Cs Section 8.12.

## 5.6 SYSTEM INTEGRITY

Pipeline reserves the right to take action as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other shippers. Pipeline shall endeavor to identify those Shippers making a significant contribution to the event or condition and to contact such Shippers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

## 5.7 FACILITIES

In order for Pipeline to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for Pipeline to install facilities or to modify existing facilities. Should Shipper request the installation or modification of said facilities and agree to reimburse Pipeline for the cost thereof, including construction cost overruns except to the extent otherwise mutually agreed in writing by Pipeline and Shipper, and also including taxes, and should Pipeline agree in its sole judgment to install said facilities or to modify its existing facilities pursuant to Shipper's request, it is agreed that Pipeline will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities.

In the event Shipper does not agree to pay the costs of installing or modifying said facilities, Pipeline may agree in its sole judgment to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Shippers. The question of whether costs of said facilities should be included in Pipeline's general system rates will be determined in the certificate proceeding or in the rate proceeding in which Pipeline proposes to include such costs in its general system rates. Pipeline shall have the right to file rate changes to reflect overruns in construction costs except to the extent otherwise agreed to in Pipeline's precedent agreements. It is understood and agreed that title to and ownership of said facilities shall remain in Pipeline, and Pipeline shall operate such facilities as part of its system.

#### 5.8 GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program.

#### 5.9 GENERAL TERMS AND CONDITIONS

All of the GT&Cs, including from and after their effective date any further modifications and additions to the GT&Cs, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&Cs are incorporated in and are part of Pipeline's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and any rate or provision in a corresponding Service Agreement, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and the corresponding Rate Schedule, the Rate Schedule shall govern.

## 6.0 INTERRUPTIBLE TRANSPORTATION SERVICE

### 6.1 AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has executed a Service Agreement pursuant to this Tariff, providing for the interruptible transportation of gas by Pipeline.

### 6.2 APPLICABILITY AND CHARACTER OF SERVICE

6.2.1 This rate schedule shall apply to all interruptible transportation service rendered by Pipeline for Shipper pursuant to Part 284 of FERC's Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule IT. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

6.2.2 Service hereunder may be available on any Gas Day and will be interruptible as provided in the effective Service Agreement and in Pipeline's GT&Cs. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to Pipeline's firm transportation services.

6.2.3 Pipeline may receive for Shipper's account for transportation hereunder, daily quantities of gas, plus an amount reflecting the Fuel Retainage Percentage as determined in GT&Cs Section 8.22.

6.2.4 Pipeline shall not be obligated to construct, modify or add any facilities or expand the capacity of its pipeline system in any manner or otherwise in order to provide transportation service to Shipper pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of transportation service hereunder.

### 6.3 RATES AND CHARGES

6.3.1 The applicable unit rates for service hereunder are set forth in Section 4 of this Tariff, unless otherwise agreed to by the Shipper and Pipeline and are incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to the GT&Cs Sections 8.22 through 8.28.

6.3.2 The rates stated in Section 4 of this Tariff set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each

such service. Shipper shall pay the maximum rates for service under this Rate Schedule unless Pipeline, in its reasonable judgment, offers to discount its rates to Shipper under GT&Cs Section 8.28, or unless the parties have agreed to a Negotiated Rate under GT&Cs Section 8.27. Any discount or Negotiated Rate agreed to by Pipeline and the effective period thereof shall be stated on an executed Exhibit C to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of GT&Cs Section 8.28. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in Section 4 of this Tariff.

6.3.3 Effective as of the Date of Commencement of Service as provided for in the Service Agreement, Pipeline shall charge and Shipper shall pay Pipeline for transportation service, under this Rate Schedule each applicable Month during the year the sum of the following amounts:

6.3.3.1 Monthly Usage Charge shall be the rate as set forth in Section 4 multiplied by the daily flow allocated in accordance with this Rate Schedule.

6.3.3.2 Fuel Retainage Percentage: A percentage of the quantity of gas delivered by Shipper for transportation and accepted by Pipeline at the Receipt Point(s). The percentage of the quantity of gas retained by Pipeline for such purposes shall be set forth in Section 4 of this Tariff. Changes to such percentage shall be made effective only at the beginning of a Month. This shall apply except for backhaul service.

6.3.3.3 Penalties and Surcharges: In addition to the charges specified above, Shipper shall pay to Pipeline any penalties and surcharges applicable to service hereunder as may be set forth from time to time in the GT&Cs Sections 8.7, 8.9, 8.10, 8.12 and 8.22-8.28 and approved by the Commission.

6.3.3.4 Third Party Charges. The applicable reimbursement of charges by any third-party provider of Off-System Capacity as provided for in Section 8.43 of the GT&Cs.

## 6.4 RECEIPT AND DELIVERY POINTS

All points at which Pipeline receives gas shall be available as Receipt Points under this Rate Schedule. All points to which Pipeline transports gas shall be available as Delivery Points under this Rate Schedule. Notwithstanding the foregoing, all Delivery Points shall be available for use by Shipper subject to reduction by Pipeline based on the Tariff scheduling, OFOs, curtailment

allocation and force majeure and related provisions in the GT&Cs Sections 8.6, 8.9, 8.10 and 8.21 respectively. If Shipper desires transportation of gas on any Gas Day under this Rate Schedule, Shipper must nominate service in accordance with GT&Cs Sections 8.5 and 8.6.

#### 6.5 IMBALANCES

It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by Pipeline for transportation and the daily quantities of gas delivered by Pipeline under this Rate Schedule. Shipper shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis. Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&Cs Section 8.12.

#### 6.6 SYSTEM INTEGRITY

Pipeline reserves the right to take action as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other shippers. Pipeline shall endeavor to identify those Shippers making a significant contribution to the event or condition and to contact such Shippers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

#### 6.7 GOVERNMENTAL AUTHORIZATIONS

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

#### 6.8 GENERAL TERMS AND CONDITIONS

All of the GT&Cs, including from and after their effective date any further modifications and additions to the GT&Cs, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. These GT&Cs are incorporated in and are part of Pipeline's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and any rate or provision in a corresponding Service Agreement, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and the corresponding Rate Schedule, the Rate Schedule shall govern.

## 7 PARKING AND LENDING (PAL) SERVICE

### 7.1 AVAILABILITY

Service under this Rate Schedule is available to any party, hereinafter called “Shipper”, that has executed a Service Agreement pursuant to this Tariff, providing for the interruptible parking or lending of gas by Pipeline.

### 7.2 APPLICABILITY AND CHARACTER OF SERVICE

- 7.2.1 Parking Service is an interruptible service that provides for: (i) the receipt by Pipeline of gas quantities delivered by Shipper to the point(s) of service agreed to by Pipeline and Shipper on Pipeline’s system for receipt of parked quantities; (ii) Pipeline holding the parked quantities on Pipeline’s system; and (iii) return of parked quantities to Shipper at the agreed upon time and at the same point(s), or other mutually agreed upon point(s) on Pipeline’s system subject to Section 7.2.4 of this Rate Schedule PAL; provided, however, that Pipeline is not obligated to return parked quantities on the same Gas Day and at the same point(s) that the gas is parked. The specific point(s) for a park shall be set forth in the applicable PAL Transaction.
- 7.2.2 Lending Service is an interruptible service that provides for: (i) the receipt by Shipper of gas quantities from Pipeline at the point(s) of service agreed to by Pipeline and Shipper on Pipeline’s system for delivery of loaned quantities of gas; and (ii) the subsequent return of the loaned quantities of gas to Pipeline at the agreed upon time and at the same point(s), or other mutually agreed upon point(s) on Pipeline’s system subject to Section 7.2.4 of this Rate Schedule PAL; provided, however, that Pipeline is not obligated to accept the return of the loaned gas on the same Gas Day and at the same point(s) that the gas is loaned. The specific point(s) for a loan shall be set forth in the applicable PAL Transaction.
- 7.2.3 Pipeline shall establish and maintain a Parking and Lending Account for each Shipper utilizing the services herein. A credit balance indicates natural gas parked on Pipeline’s system; whereas a debit balance indicates natural gas loaned by Pipeline to the Shipper. The Parking and Lending Account balance will be stated in Dth.
- 7.2.4 Shipper shall make any necessary arrangements with Pipeline and/or third parties to deliver or receive gas quantities at the designated point(s) of service for parking or lending service hereunder. Transportation service is not provided under this Rate Schedule. If Pipeline and Shipper agree that Shipper may receive parked quantities or return loaned quantities at point(s) other than the point(s) of the park or loan, then Shipper shall accomplish such transactions pursuant to nominations under separate transportation agreement(s) under Pipeline’s other rate schedules to effectuate the receipt or delivery of gas. The

rates, charge, and terms of such transportation shall be governed by Pipeline's Tariff, the applicable rate schedule, and Shipper's transportation service agreement under the applicable rate schedule.

- 7.2.5 Service hereunder may be available on any Gas Day, shall be provided for a minimum term of one Gas Day and a maximum term as established by mutual agreement of Pipeline and Shipper as reflected in a PAL Transaction, and will be interruptible as provided in the effective Service Agreement and in the GT&Cs. Interruptible services under this Rate Schedule shall have a priority subordinate to Pipeline's firm transportation services, as set forth in GT&Cs Sections 8.6.1 and 8.10.2. Pipeline may, based on its reasonable determination of its operational capability and in a non-discriminatory manner, interrupt or decline to schedule any or all of the services hereunder as prescribed in the GT&Cs.
- 7.2.6 Service rights under this Rate Schedule may not be released or assigned.
- 7.2.7 Pipeline shall not be obligated to construct, modify or add any facilities or expand the capacity of its pipeline system in any manner or otherwise in order to provide service to Shipper pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of transportation service hereunder.
- 7.2.8 It is understood that Pipeline is providing service under this Rate Schedule through the use of its line pack and/or operational Gas and that Pipeline is not providing a Gas supply service under this Rate Schedule.

### 7.3 RATES AND CHARGES

- 7.3.1 The applicable unit rates for service hereunder are set forth in Section 4.0 of this Tariff, unless otherwise agreed to by the Shipper and Pipeline, and are incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to GT&Cs Sections 8.22 through 8.29.
- 7.3.2 Section 4.0 of this Tariff sets forth the maximum and minimum rates applicable to each service provided under this Rate Schedule. Shipper shall pay the maximum rates for service under this Rate Schedule unless Pipeline, in its reasonable judgment, offers to discount its rates to Shipper under GT&Cs Section 8.28, or unless the parties have agreed to a Negotiated Rate under GT&Cs Section 8.27. Any discount or Negotiated Rate agreed to by Pipeline and the effective period thereof shall be stated on an executed PAL Transaction, and shall be made on a not unduly discriminatory basis. Any discount shall be granted consistent with the applicable provisions of GT&Cs Section 8.28. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in Section 4.0 of this Tariff.

7.3.3 Effective as of the Date of Commencement of Service as provided for in the Service Agreement, Pipeline shall charge and Shipper shall pay Pipeline for service under this Rate Schedule each applicable Month during the Year the sum of the following amounts:

7.3.3.1 Initial Charge: The applicable Initial Charge shall be the product of the Initial Rate component determined pursuant to Sections 7.3.1 and 7.3.2 herein multiplied by each unit of Gas tendered for park or taken for loan during that Month;

7.3.3.2 PAL Balance Charge: The applicable PAL Balance Charge shall be the product of the PAL Balance Rate component determined pursuant to Sections 7.3.1 and 7.3.2 herein multiplied by the daily account balance of gas in Shipper's Parking and Lending Account, excluding the date on which the Initiation Charge is assessed.

7.3.3.3 Completion Charge: The applicable Completion Charge shall be the product of the Completion Rate component determined pursuant to Sections 7.3.1 and 7.3.2 herein multiplied by each unit of Gas returned to Pipeline on completion (payback) of a loan or received by Shipper on completion (unparking) of a park that Month.

7.3.3.4 Penalties and Surcharges: In addition to the charges specified above, Shipper shall pay to Pipeline any penalties and surcharges applicable to service hereunder as may be set forth from time to time in GT&Cs Sections 8.7 through 8.12 and 8.22 through 8.29.

7.3.3.5 Third Party Charges. The applicable reimbursement of charges by any third-party provider of Off-System Capacity as provided for in Section 8.43 of the GT&Cs.

## 7.4 OPERATIONAL REQUIREMENTS

7.4.1 Shipper may be required, upon notification from Pipeline, to cease or reduce deliveries to or receipts from Pipeline hereunder, consistent with Pipeline's operating requirements. Further, Shipper may be required to return loaned quantities or remove parked quantities upon notification by Pipeline. Such notification shall be through Pipeline's electronic bulletin board. Pipeline shall not recall from (or require withdrawal by) any Shipper, on any Gas Day, a quantity greater than one-tenth of the Shipper's outstanding park or loan balance; provided, however, that in no event shall Pipeline be so restricted when recalling (or requiring the withdrawal of) less than 5,000 Dth from any Shipper on any Gas Day nor shall any Shipper be permitted to extend the term of its park or loan by reason of this limitation. Pipeline's notification shall specify the time frame within which parked quantities shall be removed or loaned quantities shall be returned.

- 7.4.2 Unless otherwise agreed by Pipeline and Shipper: (i) any parked quantity not removed within the time frame specified by Pipeline's notice shall become the property of Pipeline, free and clear of any adverse claims, provided that Pipeline shall pay Shipper 50% of the Daily Gas Price Index for such quantity; and (ii) any loaned quantity not returned within the time frame specified by Pipeline's notice shall be sold by Pipeline to Shipper at 150% of the Daily Gas Price.
- 7.4.3 If, upon the expiration of any parking or lending transaction, Shipper has not returned all loaned quantities or removed all parked quantities, Pipeline shall notify Shipper, and Shipper shall nominate the removal of the parked quantities or return of the loaned quantities within the time frame specified in Pipeline's notice. The rates and charges set forth in Section 8.3.3 of this Rate Schedule shall be applicable to any quantities that remain outstanding until such time as such quantities have been returned or removed by Shipper. If Shipper fails to remove parked quantities or return loaned quantities within the time frame specified in Pipeline's notice, such quantities shall be subject to disposition in accordance with Section 7.4.2 of this Rate Schedule.
- 7.4.4 If Shipper makes a timely and valid nomination, which Pipeline subsequently confirms, in response to notification by Pipeline to remove parked quantities or return loaned quantities, Shipper shall be deemed to have complied with Pipeline's notification.
- 7.4.5 Not more than thirty (30) days after the termination of the Parking and Lending Service Agreement executed by Shipper under this Rate Schedule, Transporter will notify Shipper of Shipper's Parking and Lending Account balance. If there is a balance remaining, Shipper will nominate for withdrawal or repay such quantities within thirty (30) days of the date of Pipeline's notice.
- 7.4.6 Any revenues received by Pipeline as a result of the disposition of quantities of gas in accordance with Section 7.4 of this Rate Schedule shall, after reimbursement of any costs incurred by Pipeline, be treated as penalty revenues and distributed in accordance with Section 8.25 of the GT&Cs.

## 7.5 SYSTEM INTEGRITY

Pipeline reserves the right to take action as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other Shippers. Pipeline shall endeavor to identify those Shippers making a significant contribution to the event or condition and to contact such Shippers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

## 7.6 GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or FERC-approved program.

## 7.7 GENERAL TERMS AND CONDITIONS

All of the GT&Cs, including from and after their effective date any further modifications and additions to the GT&Cs, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. The GT&Cs are incorporated in and are part of Pipeline's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and any rate or provision in a corresponding Service Agreement, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and the corresponding Rate Schedule, the Rate Schedule shall govern.