

RATE SCHEDULES
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RATE SCHEDULE FT-1
Firm Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas on a firm basis by Granite State Gas Transmission, Inc. ("Transporter") for any Shipper, when;

(a) Shipper has converted its firm sales entitlement under Transporter's former CD Rate Schedule to Firm Transportation service pursuant to 18 CFR 284.10;

(b) Shipper has converted its firm service under other Rate Schedules to service under this rate schedule;

(c) Sufficient firm capacity is available in order to provide such transportation without any construction of facilities or other investment by Transporter; and

(d) Shipper has made a valid request for firm transportation pursuant to Article 22 of the General Terms and Conditions of this FERC gas tariff;

(e) Shipper has executed a firm transportation contract wherein Transporter agrees to transport natural gas under this Rate Schedule for Shipper's account up to a specific maximum daily transportation quantity.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

2. Applicability and Character of Service (continued)

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed FT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Point(s)"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this rate schedule. Transporter may, however at Shipper's request, add facilities or expand capacity to provide transportation service under this Rate Schedule, subject to Section 5.3(a) below.

2.5 This transportation service shall be on a firm basis and shall not be subject to curtailment or interruption except as provided for in Transporter's General Terms and Conditions.

2.6 Shippers may contract for firm seasonal service under this Rate Schedule by entering into a FT-1 Service Agreement that sets forth the maximum daily quantities applicable to the winter period and summer period in the spaces provided for such service in the pro forma FT-1 Service Agreement.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

3. Qualification for Service

All Shippers requesting firm transportation service under this rate schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC tariff.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

4. Receipt and Delivery Points

4.1 Primary Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a primary receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Secondary Receipt Points: All eligible receipt points on Transporter's system shall be available as Secondary Receipt Points.

4.3 Primary Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a Primary Delivery Point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

4.4 Secondary Delivery Points: All eligible delivery points on Transporter's system shall be available as Secondary Delivery Points.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth on the currently effective rate schedule of this FERC Tariff. The applicable unit rates to be charged on any day by Transporter for gas delivered to Shipper shall be a rate not in excess of the maximum unit rate nor less than the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the FT-1 Transportation Contract is effective and each Month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Reservation Charge: A charge per month per Dth of Shipper's effective Maximum Daily Transportation Quantity (MDTQ) under this Rate Schedule.

(b) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities);

(c) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(d) Other Applicable Charges: The applicable surcharges provided for in Articles 17 and 18 of the General Terms and Conditions.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

5. Rates and Charges (Continued)

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule; and

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Article 5.3 above shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Reservation Charges and Commodity Charges for service under this Rate Schedule unless Transporter elects to discount either or both of the charges. If Transporter elects to discount the Reservation Charge or the Commodity Charge or both, it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided, however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this Rate Schedule shall not be discounted below the minimum Reservation and commodity charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

RATE SCHEDULE FT-1
Firm Transportation Services
(Continued)

5. Rates and Charges (continued)

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss or other unaccounted-for gas.

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown on the effective Tariff Sheet No. 21, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 26 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 26 of the General Terms and Conditions.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries (Continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's scheduled quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to the Delivery Point Operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

RATE SCHEDULE FT-1
Firm Transportation Service
(Continued)

9. Governmental Authorizations

Transportation service under executed FT-1 Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Tariff are incorporated as part of this Rate Schedule.

RATE SCHEDULE FT-NN
Firm Transportation Service

1. Availability

This rate schedule is available for the transportation of natural gas on a firm basis by Granite State Gas Transmission, Inc. ("Transporter") for any Shipper when;

(a) Shipper has converted its firm sales entitlement under Transporter's former CD Rate Schedule to firm transportation service pursuant to 18 CFR 284.10;

(b) Shipper has made a valid request for firm transportation pursuant to Article 25 of the General Terms and Conditions of this FERC gas Tariff;

(c) Shipper has nominated the level of no-notice service it wishes to receive, in accordance with Transporter's Rate Schedule LMS and has authorized Transporter to contract with its upstream connecting pipeline, Tennessee Gas Pipeline Company, for a corresponding level of daily demand service, pursuant to Tennessee's underlying Rate Schedule LMS-MA.

(d) Shipper has executed a firm transportation contract wherein Transporter agrees to transport natural gas under this Rate Schedule FT-NN for Shipper's account up to a specific maximum daily transportation quantity.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

2. Applicability and Character of Service

2.1 On any day Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed FT-NN Transportation Contract between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas tendered for the account of Shipper up to Shipper's Maximum Daily Transportation Quantity ("MDTQ") plus an amount for any applicable fuel reimbursement, and on a cumulative basis in any year, up to Shipper's Maximum Annual Transportation Quantity ("MATQ") as specified in the Transportation Contract, plus any amounts for fuel reimbursement, as applicable, provided however, Transporter shall not be obligated to, but may at its option, receive at any receipt point on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable fuel reimbursement.

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed FT-NN Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Points"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

2. Applicability and Character of Service (Continued)

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this rate schedule. Transporter may, however at Shipper's request add facilities or expand capacity to provide transportation service under this Rate Schedule, subject to Section 5.3(a) below.

2.5 This transportation service shall be on a firm basis and shall not be subject to curtailment or interruption except as provided for in Transporter's General Terms and Conditions. Subject to the level of no-notice service nominated under Rate Schedule LMS, the Shipper may nominate an increase in deliveries at the delivery point up to Shipper's MDTQ, by notifying Transporter of such intraday change in nomination, pursuant to Article 26 of the General Terms and Conditions.

2.6 Shippers may contract for firm seasonal service under this Rate Schedule by entering into a FT-NN Service Agreement that sets forth the maximum daily quantities applicable to the winter period and summer period in the spaces provided for such service in the pro forma FT-NN Service Agreement.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

3. Qualification for Service

All Shippers requesting firm transportation service under this rate schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC Tariff.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

4. Delivery and Receipt Points

4.1 Primary Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a primary receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Secondary Receipt Points: All eligible receipt points on Transporter's system shall be available as Secondary Receipt Points.

4.3 Primary Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a Primary Delivery Point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

4.4 Secondary Delivery Points: All eligible delivery points on Transporter's system shall be available as Secondary Delivery Points.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth in this currently effective Tariff. The applicable unit rates to be charged on any day by Transporter for gas delivered to Shipper shall be a rate not in excess of the maximum unit rate nor less than the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the FT- NN Transportation Contract is effective and each month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Reservation Charge: A charge per month per Dth of Shipper's effective Maximum Daily Transportation Quantity (MDTQ) under this rate schedule.

(b) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities).

(c) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(d) Other Applicable Charges: The applicable surcharges provided for in Articles 17 and 18 of the General Terms and Conditions.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

5. Rates and Charges (continued)

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this rate schedule; and

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Article 5.3 above, shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Reservation Charges and Commodity Charges for service under this rate schedule unless Transporter elects to discount either or both of the charges. If Transporter elects to discount the Reservation Charge or the Commodity Charge or both, it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this rate schedule shall not be discounted below the minimum Reservation and Commodity Charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss, or other unaccounted-for gas.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

5. Rates and Charges (Continued)

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown in this effective FERC Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 23 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 23 of the General Terms and Conditions.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries (Continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's schedule quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to the delivery point operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 The Upstream Pipelines shall deliver to the various points of interconnection with Transporter's system such quantities of gas at such times as Transporter determines in its reasonable discretion are required by its system to meet the needs of the Shippers under this Rate Schedule FT-NN.

8.3 As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

RATE SCHEDULE FT-NN
Firm Transportation Service
(Continued)

9. Governmental Authorizations

Transportation service under executed FT-NN Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Tariff are incorporated as part of this Rate Schedule.

RATE SCHEDULE IT-1
Interruptible Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by Granite State Gas Transmission, Inc. (Transporter) for any Shipper, when:

(a) Shipper has made a valid request for interruptible transportation pursuant to Section 22 of the General Terms and Conditions of this FERC gas Tariff;

(b) Shipper has executed an interruptible transportation contract wherein Transporter agrees to transport natural gas for Shipper's account up to a specific maximum daily transportation quantity.

2. Applicability and Character of Service

2.1 On any day Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed IT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas tendered for the account of Shipper up to Shipper's Maximum Daily Transportation Quantity ("MDTQ") plus an amount for any applicable fuel reimbursement, and on a cumulative basis in any year, up to Shipper's annual Transportation Quantity ("MATQ:") as specified in the Transportation Contract, plus any amounts for fuel reimbursement, as applicable, provided however, Transporter shall not be obligated to, but may at its option, receive at any receipt point on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable fuel reimbursement.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

2. Applicability and Character of Service (Continued)

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed IT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Point(s)"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. Transporter may, however, at Shipper's request, add facilities or expand capacity to provide transportation service, subject to Section 5.3(a) below.

2.5 This transportation service shall be on an interruptible basis.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

3. Qualification for Service

All Shippers requesting interruptible transportation service under this Rate Schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC Tariff.

4. Receipt and Delivery Points

4.1 Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstance to receive gas at any point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a delivery point for gas transported under this rate schedule. Transporter shall not be required under any circumstance to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth in the currently effective Tariff. The applicable unit rates to be charge on any day by Transporter for gas delivered to Shipper shall be at a rate not in excess of the maximum unit rate nor less than at the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the IT-1 Transportation Contract is effective and each month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities);

(b) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(c) Other Applicable Charges: The applicable surcharges provided for in the Sections 17 and 18 of the General Terms and Conditions.

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule; and

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

5. Rates and Charges (Continued)

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Section 5.3 above, shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Commodity Charges for service under this rate schedule unless Transporter elects to discount the charges. If Transporter elects to discount the Commodity Charge it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this rate schedule shall not be discounted below the minimum Commodity Charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits for service under this Rate Schedule that differ from those rates, rate components, charges, or credits ("Negotiated Rates") that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss, or other unaccounted-for gas.

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun Penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

Rate Schedule IT-1
Interruptible Transportation Service
(Continued)

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown in this effective FERC Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 23 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 23 of the General Terms and Conditions.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries (continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's schedule quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to Delivery Point Operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 As nearly as practicable, Shipper shall deliver and receive gas in uniform quantities during the day.

RATE SCHEDULE IT-1
Interruptible Transportation Service
(Continued)

9. Governmental Authorization

Transportation service under executed IT Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

RATE SCHEDULE LMS
(Load Management Service)

1. Availability

(a) Transporter shall provide a monthly balancing service at delivery points to parties (herein referred to as "Delivery Point Operators" or "Operators") who have executed an Operational Balancing Agreement (Delivery Point OBA) in the form set forth in this Tariff. An OBA will be available to:

(i) the Operator of connecting facilities at a delivery point(s) on Transporter's system;
and,

(ii) a pipeline Operator whose facilities interconnect with Transporter's system; and,

(iii) a market aggregator ("Aggregator") who has obtained written consent from Delivery Point Operators that imposes responsibility on Aggregator for all scheduling and balancing at stated delivery points and that provides authority to Aggregator to change physical flows at stated delivery points upon notice from the pipeline to the Aggregator.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

2. Applicability and Character of Service

The terms, conditions and charges set forth in this Rate Schedule governing daily variances and monthly balancing shall apply to all gas flowing through meters covered by a Delivery Point OBA. A Delivery Point OBA may include all delivery points controlled by a single Delivery Point Operator.

Because Transporter has no on-system storage capacity and minimal line-pack, the intent of this Service is, on a timely, non-discriminatory basis, to pass through to the Delivery Point Operator(s) the actual imbalance charges and cash outs billed to Transporter by the upstream pipeline(s) connected with Transporter's facilities.

Transporter shall automatically adjust the rates associated with this Rate Schedule to reflect any changes in the load balancing service rates charged by any upstream pipeline connected with Transporter's facilities.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

3. Scheduling and Confirmation by Operator

The Delivery Point Operator will confirm the nominations of the quantities to be scheduled at delivery points. The Delivery Point Operator will notify Transporter and the affected Shipper, via Transporter's IWS, within the time specified for confirmation in the General Terms and Conditions of any change in the nomination by the Shipper to confirmed nominations scheduled for delivery.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

4. Daily Variances

(a) The Daily Variance for a Delivery Point OBA be the net of the aggregated differences between the Scheduled Quantities and the actual quantity of gas received from Transporter, based upon the best information available, at such point(s) within the time period that the Scheduled Quantities were in effect during any day.

(b) A Delivery Point Operator shall pay the Daily Variance Charges at the rate(s) set forth by the connecting upstream pipeline(s) and billed to Transporter. A Delivery Point Operator may also be subject to an Unauthorized Overrun Penalty charge for quantities taken above the Daily Limit as set forth in Section 5.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

4. Daily Variances (continued)

(c) Based upon the best information available, a Delivery Point Operator shall take action to correct any imbalances occurring during the month by making adjustments in nomination and gas flows. If a Delivery Point Operator fails to take such corrective action, then Transporter may, upon 48 hours' notice, adjust Operator's scheduled receipts and deliveries over the remainder of the calendar month in order to maintain a balance of receipts, deliveries and nominations.

(d) Delivery Point Operators will be allowed to trade imbalances occurring during the month with other Delivery Point Operators that are subject to this Rate Schedule. All imbalance trading must be effected through the nomination of mid-month, make-up volumes. To facilitate imbalance trading, Transporter will provide for the posting of Delivery Point Operators' imbalances, based upon the best information available, on the IWS upon request.

5. Unauthorized Ovrerrun Penalty

On any day during Operational Flow Order conditions, when a Delivery Point Operator takes gas in excess of the Daily Limit applicable to a delivery point(s), such Delivery Point Operator, in addition to the Transporter's other applicable tariffed rates and charges, will be subject to an Unauthorized Ovrerrun Penalty charge of fifteen dollars (\$15.00) per Dth plus any Unauthorized Ovrerrun charges and penalties billed to Transporter by the connecting upstream pipeline(s). The Daily Limit shall be specified for each delivery point in an Operational Flow Order issued pursuant to Article 32 of the General Terms and Conditions of Transporter's tariff.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

6. Monthly Imbalances

(a) Delivery Point Operator's monthly imbalance with respect to each individual upstream pipeline shall be the net cumulative total of Daily Variances on that upstream pipeline from all points covered by the Delivery Point OBA adjusted for makeup quantities and imbalance trades. Unless Transporter and Delivery Point Operator mutually agree to correct the imbalance in kind on a nondiscriminatory basis, each month Transporter and Delivery Point Operator shall "cash-out" any imbalance between deliveries and Scheduled Quantities at such points covered by a Delivery Point OBA.

(b) The monthly cash-out of the Delivery Point Operator shall be based on Sections 6(b)(i) and 6(b)(ii) below. The monthly cash-out will be based on the Delivery Point Operator's monthly imbalance with each individual upstream pipeline interconnected to the Transporter. Transporter will post weekly and maintain on its EBB the best available information from the electronic bulletin boards of its upstream pipelines with regard to their monthly cash-out prices.

(i) Deficiency of Deliveries

If the Delivery Point Operator's monthly imbalance with an individual upstream pipeline is due to a deficiency of deliveries by Transporter relative to Scheduled Quantities, then Transporter shall pay the Delivery Point Operator in accordance with this Section 6(b)(i). Transporter's monthly cash-out price per Dth for each individual upstream interconnecting pipeline will be derived from that interconnecting upstream pipeline's cash-out prices, tolerance penalties, fuel, and transportation components, if any. The product of that upstream pipeline's total cash-out price plus any applicable transportation and fuel components of Transporter and the monthly imbalance deficiency of the Delivery Point Operator with that interconnecting upstream pipeline will be included in the cash-out of the Delivery Point Operator. This portion of the monthly cash-out will be payable to the Delivery Point Operator by the Transporter.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

6. Monthly Imbalances (Continued)

(b)(Continued)

(ii) Excess of Deliveries

If the Delivery Point Operator's monthly imbalance on an upstream pipeline is due to an excess of deliveries by Transporter relative to Scheduled Quantities, Delivery Point Operator shall pay Transporter in accordance with this Section 6(b)(ii). Transporter's monthly cash-out price per Dth for each individual upstream interconnecting pipeline will be derived from that interconnecting upstream pipeline's cash-out prices, tolerance penalties, fuel, and transportation components, if any. The product of the upstream pipeline's total cash-out price plus any applicable transportation and fuel components of Transporter and the monthly imbalance excess of the Delivery Point Operator with that interconnecting upstream pipeline will be included in the cash-out of the Delivery Point Operator. This portion of the monthly cash-out will be payable to the Transporter by the Delivery Point Operator.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

6. Monthly Imbalances (continued)

(b)(continued)

The amounts due hereunder shall be paid in accordance with Articles 5 and 6 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

(c) Access to information upon request,: Transporter will make available within one business day the best information it has concerning the total physical deliveries at applicable delivery points. Transporter will also make available the best information it has concerning the scheduled and allocated deliveries at all of Operator's delivery points by the end of the third business day. This information will include electronic gas measurement data at meters where such data is utilized for billing purposes (Electronic Data). Transporter will designate the points where Electronic Data is available. Operators will be entitled to rely on the Electronic Data for purposes of correcting imbalances during the month. Operators will not be entitled to rely on the data from delivery points without Electronic Data for purposes of

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

6. Monthly Imbalances (continued)

(c)(continued)

correcting imbalances during the month and will be responsible for verifying the actual receipts and deliveries at delivery points where no Electronic Data is available. Imbalances will be cashed-out on the basis of actual deliveries and confirmed nominations; provided that the level associated with imbalances that are associated with Delivery Points where Electronic Data is available will be based upon the lesser of (1) the monthly imbalance reported by Transporter for the last day of the month based upon the Electronic Data or (2) the monthly imbalance based upon actual receipts and deliveries at such locations; provided further, if the monthly imbalance reported by Transporter for the 20th day of the calendar month based upon Electronic Data is subsequently adjusted during the remainder of the month and (1) such adjustments materially increase the level of imbalance and (2) Operator did not have adequate time to correct the imbalance by adjusting nominations, receipts or deliveries, then the level associated with imbalances at points where Electronic Data is available will be based upon the lesser of (a) the imbalance reported on the 20th day of the calendar month plus the imbalance reported for each subsequent day in the calendar month or (b) the monthly imbalance based upon actual delivery at such points to the extent that the operator pursuant to the operational balancing agreement documents the situation. Notwithstanding anything to the contrary, if the Electronic Data at any point is inaccurate, through no fault of Transporter but rather as the result of the action or inaction of third parties, then the level associated with monthly imbalances occurring at such points will be based upon actual deliveries.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

6. Monthly Imbalances (continued)

(d) Limitation on Penalties - Any imbalances caused by an event which excuses performance under Article 9 of the General Terms and Conditions or caused by an action of Transporter, including providing the Delivery Point Operator inaccurate imbalance information at points with Electronic Data as set forth in 6(b) above.

Furthermore, affected Operator(s) shall be exempt from Transporter's Unauthorized Overrun penalties for any imbalances associated with complying with an Operational Flow Order (OFO) issued pursuant to Article 32 of the General Terms and Conditions of Transporter's Tariff, and shall be provided an additional 30 days to correct such OFO-related imbalance.

(e) Operational Integrity - Nothing in this Section 6 shall limit Transporter's right to take action as may be required to adjust receipts and deliveries of gas in order to alleviate conditions which threaten the integrity of its system, or the ability of Transporter to transport quantities scheduled by any Shipper.

7. Reconciliation

Reconciliation of LMS Charges and Penalties - All Daily Variance charges, Monthly Cash Outs and Unauthorized Overrun Penalty charges received or paid by Transporter in accordance with Sections 4, 5, and 6(b) that are in excess of or deficient from Transporter's costs, including, but not limited to, (1) transactions with Transporter in accordance with Section 6(b), (2) imbalance charges and cash outs billed to the Transporter by the interconnecting upstream pipelines, (3) Transporter's fuel and loss costs properly allocable to Delivery Point Operators, and (4) administrative costs associated with this reconciliation, will be reconciled on an annual basis pro rata based on transportation imbalance quantities of the Delivery Point Operator. The amounts received and paid by Transporter will be reconciled with a filing by November 1 of each year with carrying charges at the Commission-approved interest rate prescribed in Section 154.501(d) of the Commission's regulations. Transporter may file interim reconciliations between such annual reconciliations.

RATE SCHEDULE LMS
(Load Management Service)
(Continued)

8. General Terms and Conditions

All of the General Terms and Conditions of Transporter's FERC Gas Tariff are part of the Rate Schedule.