

FERC GAS TARIFF
FIRST REVISED VOLUME NO. 1
OF
RENDEZVOUS PIPELINE COMPANY, LLC

FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF SHOULD BE SENT TO:

Perry H. Richards, Vice President,
RENDEZVOUS PIPELINE COMPANY, LLC
1050 17th Street, Suite 500
Denver, CO 80265
Telephone No. (303) 672-6986
Fax No. (303) 308-3610
Email: rendezvous.pipeline@qepres.com

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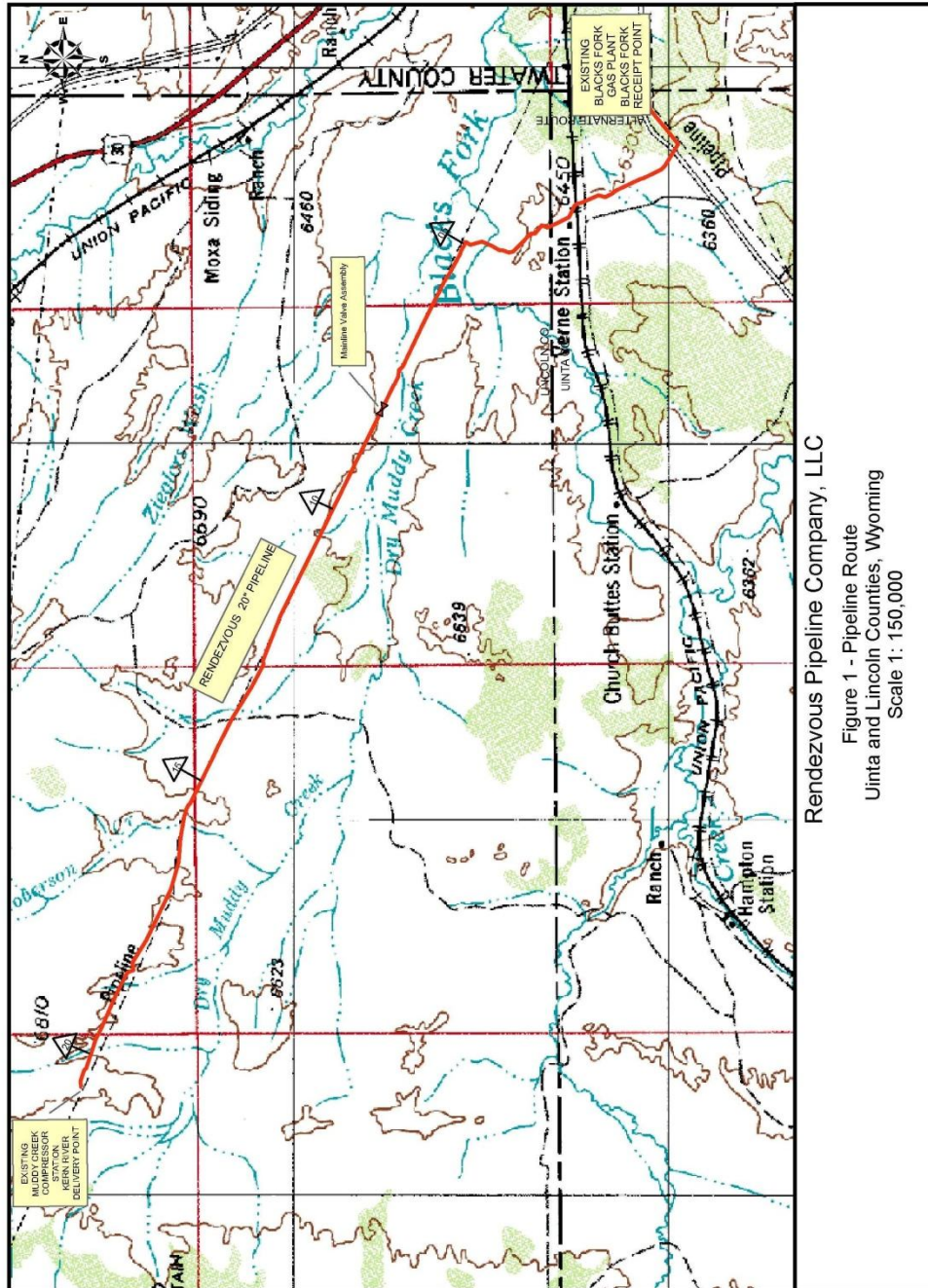
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PRELIMINARY STATEMENT

PRELIMINARY STATEMENT

Rendezvous Pipeline Company, LLC, hereinafter referred to as "Transporter," is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. Sections 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC." Transporter is engaged in the business of transporting natural gas in interstate commerce.

SYSTEM MAP



Rendezvous Pipeline Company, LLC

Figure 1 - Pipeline Route
Uinta and Lincoln Counties, Wyoming
Scale 1 : 150,000

STATEMENT OF RATES

STATEMENT OF TRANSPORTATION RATES

RATE SCHEDULE FT - FIRM TRANSPORTATION SERVICE

	RATE	UNITS*
Reservation Charge	Market Based/Negotiable	\$/Dth
Usage Charge	Market Based/Negotiable	\$/Dth
Overrun Transportation Charge	Market Based/Negotiable	\$/Dth
ACA Surcharge		0.0000
Other Charges		

RATE SCHEDULE IT - INTERRUPTIBLE TRANSPORTATION SERVICE

Usage Charge	Market Based/Negotiable	\$/Dth
Overrun Transportation Charge	Market Based/Negotiable	\$/Dth
ACA Surcharge		0.0000
Other Charges		

* All quantities of Natural Gas are measured in dekatherms (Dth).

RATE SCHEDULES

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available as provided herein and in accordance with the General Terms and Conditions of this Tariff to any party (hereinafter called "Shipper") for the transportation of Natural Gas by Transporter through Transporter's System under the following conditions:

- (a) Shipper desires firm service, Shipper has submitted a valid request for such service in accordance with Section 22 of the General Terms and Conditions of this Tariff, and Transporter has available capacity to render such firm service for Shipper;
- (b) Transporter can render the service requested without need for construction of any additional pipeline facilities other than any such new taps, valves, measurement equipment, or other facilities required at the Receipt Point(s) or the Delivery Point(s) to effect delivery and measurement of the Gas, including but not limited to facilities necessary to ensure that Gas delivered meets the gas quality standards of the Receiving Pipeline; and
- (c) Shipper and Transporter have executed a Service Agreement for service under this Rate Schedule.
- (d) Firm transportation hereunder shall be curtailed in accordance with Section 17 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to Gas transported by Transporter for Shipper pursuant to the executed Service Agreement for service under this Rate Schedule for FT service.
- 2.2 Capacity Release Service is service initiated pursuant to Section 19 of the General Terms and Conditions and an executed Service Agreement for Rate Schedule FT service. Transporter and Shipper will share equally revenues from capacity releases in excess of the reservation charge revenues paid by Shipper in any Service Agreement under this Rate Schedule FT.
- 2.3 Transportation service under this Rate Schedule shall consist of:
 - (a) The receipt by Transporter for the account of Shipper of Shipper's Gas at the Receipt Point(s) specified in the executed Service Agreement;
 - (b) The transportation of such Gas on Transporter's System for the account of Shipper; and
 - (c) The delivery of Gas in Thermally Equivalent quantities after transportation (less FLUF Gas, which shall be supplied by Shipper in kind) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s) specified in the executed Service Agreement.
- 2.4 Transportation service rendered under this Rate Schedule is firm, and is not subject to curtailment or interruption except as provided in Sections 3, 8, 12, 13, 15 and 17 of the General Terms and Conditions of this Tariff.

3. MONTHLY RATE(S)

- 3.1 Each Month, Shipper will pay Transporter for service rendered under this Rate Schedule the sum of the amounts specified in this Section 3, as applicable, and as agreed to by the parties:
 - (a) Reservation Charge: The product of Shipper's Transportation Contract Demand as specified in the executed Service Agreement or an Exhibit D to an executed Service Agreement reflecting released capacity, as appropriate, and the Reservation Charge agreed to by the parties.
 - (b) Usage Charge: An amount obtained by multiplying the quantity of Gas received by Transporter from Shipper or for the account of Shipper at the Receipt Point(s) specified in the executed Service Agreement during the Month by the Usage Charge agreed to by the parties.
- 3.2 ACA Surcharge: An amount obtained by multiplying the quantity of Gas received by Transporter from Shipper or for the account of Shipper at the Receipt Point(s) specified in the executed Service Agreement during the Month by the ACA Surcharge Rate as listed in the currently effective Statement of Rates, as adjusted from time to time.

- 3.3 Imbalance Charge: An amount determined in accordance with Section 16 of the General Terms and Conditions of this Tariff.
- 3.4 Additional Facility Reimbursement Charge: If additional facilities other than those specified in Section 1(b) of this Rate Schedule are required to permit service to a Shipper under this Rate Schedule FT, in addition to all other applicable rates stated in this Section 3, such Shipper will reimburse Transporter for its full costs of constructing such facilities in such a manner as agreed to by the parties.
- 3.5 Shipper and Transporter may agree upon a fee to be paid by Shipper to Transporter for Transporter to act as Agent on behalf of Shipper.
- 3.6 Shipper and Transporter may agree upon a fee to be paid by Shipper to Transporter for Transporter to actively market Shipper's transportation rights.
- 3.7 Transporter may charge Shipper for any charges imposed by government entities that may apply to service under this Rate Schedule FT.
- 3.8 If applicable, Shipper shall commence payment of the Reservation Charge on the later of the effective date of the Service Agreement, the receipt of all necessary regulatory approvals, or the date the facilities necessary for firm service under this Rate Schedule are placed in service, unless otherwise agreed to by the parties.

4. RECEIPT AND DELIVERY POINT FLEXIBILITY

- 4.1 Receipt Points. The Primary Receipt Point(s) for all Gas transported by Transporter under this Rate Schedule will be as specified in the executed Service Agreement. Subject to the availability of capacity and applicable procedures for the allocation of capacity, Shipper may use any other Receipt Point at which Transporter is authorized to receive Gas into Transporter's System, as listed on Transporter's Designated Site, as a Secondary Receipt Point for Gas transported by Transporter under this Rate Schedule. Capacity in excess of Shipper's Maximum Daily Receipt Obligation at a Primary Receipt Point will be available to Shipper on a Secondary Receipt Point basis.
- 4.2 Delivery Points. The Primary Delivery Point(s) for all Gas transported by Transporter under this Rate Schedule will be as specified in the executed Service Agreement. Subject to the availability of capacity and applicable procedures for the allocation of capacity, Shipper may use any other Delivery Point at which Transporter is authorized to deliver Gas from Transporter's System, as listed on Transporter's Designated Site, as Secondary Delivery Point for Gas transported by Transporter under this Rate Schedule. Capacity in excess of Shipper's Maximum Daily Delivery Obligation at a Primary Delivery Point will be available to Shipper on a Secondary Delivery Point basis.

5. TRANSPORTATION CONTRACT DEMAND

The Transportation Contract Demand shall be the largest number of Dth Transporter is obligated to receive from Shipper or for the account of the Shipper and transport under this Rate Schedule on any one Day, and shall be specified in the executed Service Agreement for service under this Rate Schedule.

The Transportation Contract Demand refers to the quantity of Gas to be received by Transporter from Shipper at the Receipt Point(s). As long as the Transportation Contract Demand is not exceeded, Transporter shall be obligated to receive up to Shipper's Maximum Daily Receipt Obligation at the Receipt Point(s) specified in the executed Service Agreement and to deliver up to Transporter's Maximum Daily Delivery Obligation at the Delivery Point(s) specified in the executed Service Agreement, on a firm basis.

6. OVERRUN TRANSPORTATION

- 6.1 On any Day, Shipper may tender and Transporter, at its option, may accept for transportation hereunder quantities of Gas in excess of Shipper's Transportation Contract Demand ("Overrun Gas"). However, Transporter will not accept quantities of Overrun Gas for transportation if: (a) doing so would not be operationally feasible; (b) it would cause curtailment of any firm service to any other Shipper under any Rate Schedule; (c) such shipments would cause Shipper to exceed its credit limits; or (d) for any other reason permitted under this Tariff.
- 6.2 In the event that capacity is available to provide overrun service, overrun service under this Rate Schedule FT shall be treated as interruptible. Interruption of overrun service shall be consistent with Section 17 of the General Terms and Conditions.

- 6.3 If Transporter elects to transport any quantities of Gas in excess of Shipper's Transportation Contract Demand, Shipper shall pay for the excess Gas transportation on any such Day an amount obtained by multiplying the quantity of Dth in excess of the Shipper's Transportation Contract Demand by the Overrun Transportation Rate as agreed to by the parties.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Firm Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule.

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available as provided herein and in accordance with the General Terms and Conditions of this Tariff to any party (hereinafter called "Shipper") for the transportation of Natural Gas by Transporter through Transporter's System under the following conditions:

- (a) Transporter can render the service requested without need for construction of any additional pipeline facilities;
- (b) Shipper and Transporter have executed a Service Agreement for service under this Rate Schedule; and
- (c) Transporter will not accept quantities of Gas for transportation for delivery to or for the account of the Shipper if such shipments would cause Shipper to exceed its credit limits.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to Gas transported by Transporter for Shipper pursuant to the executed Service Agreement for service under this Rate Schedule.

2.2 Transportation service under this Rate Schedule shall consist of:

- (a) The receipt by Transporter for the account of Shipper of Shipper's Gas at the Receipt Point(s) specified in the executed Service Agreement;
- (b) The transportation of such Gas on Transporter's System for the account of Shipper; and
- (c) The delivery of Gas in Thermally Equivalent quantities after transportation (less FLUF Gas, which shall be supplied by Shipper in kind) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s) specified in the executed Service Agreement.

2.3 Transportation service rendered under this Rate Schedule is interruptible, and subject to curtailment or interruption at any time.

3. MONTHLY CHARGES

3.1 Each Month, Shipper will pay Transporter for service rendered under this Rate Schedule an amount obtained by multiplying the quantity of Gas received by Transporter from Shipper or for the account of Shipper at the Receipt Point(s) specified in the executed Service Agreement during the Month by the Usage Charge agreed to by the parties.

3.2 ACA Surcharge: Shipper shall pay Transporter an amount obtained by multiplying the quantity of Gas received by Transporter from Shipper or for the account of Shipper at the Receipt Point(s) specified in the executed Service Agreement during the Month by the ACA Surcharge Rate as listed in the currently effective Statement of Rates, as adjusted from time to time.

3.3 Imbalance Charge: Shipper shall pay Transporter an amount determined in accordance with Section 16 of the General Terms and Conditions of this Tariff.

3.4 Shipper and Transporter may agree upon a fee to be paid by Shipper to Transporter for Transporter to act as Agent on behalf of Shipper.

3.5 Transporter may charge Shipper for any charges imposed by government entities that may apply to service under this Rate Schedule IT.

4. RECEIPT AND DELIVERY POINT FLEXIBILITY

4.1 Receipt Points. Subject to the availability of capacity and applicable procedures for the allocation of capacity, Shipper may use any Receipt Point at which Transporter is authorized to receive Gas into Transporter's System, as listed on Transporter's Designated Site, for Gas transported by Transporter under this Rate Schedule.

4.2 Delivery Points. Subject to the availability of capacity and applicable procedures for the allocation of capacity, Shipper may use any Delivery Point at which Transporter is authorized to deliver Gas from Transporter's System, as listed on Transporter's Designated Site, for Gas transported by Transporter under this Rate Schedule.

5. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Interruptible Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except where the context expressly establishes another meaning, the following terms when used in this Tariff and in a Service Agreement or other agreement with Transporter incorporating said Tariff will have the following meanings:

- 1.1 **Agent:** Any party retained by Shipper for purposes of administering Shipper's Service Agreement with Transporter. An Agent has only those rights designated in writing to Transporter by such Shipper.
- 1.2 **British Thermal Unit ("Btu"):** As defined in the American Gas Association Report No. 3, as revised from time to time.
- 1.3 **Business Day:** Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 1.4 **Cubic Foot:** The volume of Gas which occupies one cubic foot of space when held at a base temperature of sixty degrees Fahrenheit (60F) and a base pressure of 14.73 psia.
- 1.5 **Day:** A calendar day.
- 1.6 **Dekatherm ("Dth"):** The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in the United States. The standard Btu is the International Btu, which is also called the Btu(IT). For purposes of this Tariff and associated Service Agreements, MMBtu and Dth are synonymous.
- 1.7 **Delivering Pipeline:** An entity that controls the facilities into which Gas is received into Transporter's System for transportation.
- 1.8 **Delivery Point:** Any interconnection point between Transporter's System and the system of a Receiving Pipeline into which Transporter can physically deliver Gas.
- 1.9 **Designated Site:** The Internet website designated by Transporter as specified in Section 24 of the General Terms and Conditions.
- 1.10 **FERC:** The Federal Energy Regulatory Commission, or any successor agency having jurisdiction under the Natural Gas Act, or successor act.
- 1.11 **FLUF GAS:** Fuel, Lost and Unaccounted For Gas ("FLUF Gas") is that amount of fuel Gas, if applicable, that is used or allocated to Shipper in performing the services under an executed Service Agreement, plus Shipper's pro rata share of Gas that is lost and unaccounted for.
- 1.12 **Gas Day:** A period of twenty-four (24) consecutive hours beginning and ending as near as practicable at nine o'clock (9 a.m.) Central Clock Time. Reference to a specific day shall mean the twenty-four hours starting at nine o'clock (9 a.m.) Central Clock Time of that calendar day.
- 1.13 **Gas or Natural Gas:** Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such gas may be either in its natural state produced from wells, including casinghead and residue gas, or after manufacture or other methods of producing synthetic gas.
- 1.14 **Interconnect Operator:** Any person or entity responsible for the operation and/or maintenance of the facilities connected with Transporter's System.
- 1.15 **Intraday Nomination:** An intraday nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.
- 1.16 **MMcf:** One million Cubic Feet of Gas.
- 1.17 **MMBtu:** One million Btus. For purposes of this Tariff and associated Service Agreements, MMBtu and Dth are synonymous.
- 1.18 **Month:** A calendar month.
- 1.19 **NAESB Definitions/Standards:** The business practices and electronic communication practices promulgated by the North American Energy Standards Board ("NAESB") as codified in Section 284.12 (a) and (b) of FERC's regulations.

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- 1.20 Nomination: A Shipper's specification of natural gas volumes to be transported for a specified duration pursuant to an executed Service Agreement.
- 1.21 Nominating Party: The person or party designated by Shipper to communicate Shipper's nominations to Transporter.
- 1.22 Operational Balancing Agreement ("OBA"): An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- 1.23 Operational Flow Order ("OFO"): An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.
- 1.24 Psia: Pressure expressed in pounds per square inch absolute.
- 1.25 Psig: Pressure expressed in pounds per square inch guage.
- 1.26 Receipt Point: Any interconnection point between Transporter's System and the system of a Delivering Pipeline from which Transporter can physically receive Gas for transportation.
- 1.27 Receiving Pipeline: An entity that controls the facilities into which Gas is delivered from Transporter's System.
- 1.28 Service Requester: A Shipper or any other party that requests transportation service pursuant to Section 22 of the General Terms and Conditions.
- 1.29 Scheduled Quantity: The quantity of Gas Transporter has scheduled to transport from the Receipt Point to the Delivery point for a defined period pursuant to an executed Service Agreement.
- 1.30 Shipper: A party that has executed a Service Agreement with Transporter under one of the Rate Schedules contained in this Tariff.
- 1.31 System: Transporter's pipeline facilities, including all ancillary facilities owned in whole or in part by Transporter which are utilized to provide jurisdictional transportation of Natural Gas.
- 1.32 Thermally Equivalent: An equal number of Dths. The determination of Thermally Equivalent quantities will be accomplished by multiplying the unit of measurement by the Total Heating Value adjusted to the standard conditions of the measured quantities.
- 1.33 Total Heating Value: The number of Btu's liberated by the complete combustion of one Cubic Foot of Gas. The average Total Heating Value in any Month will be the volume weighted average of the Total Heating Values for each Day during such Month, adjusted to reflect the actual water vapor content of the Gas delivered.
- 1.34 Transporter: Rendezvous Pipeline Company, LLC

2. RECEIPT AND DELIVERY POINT PRESSURES

- 2.1 Receipt Pressure. Gas shall be delivered to Transporter at the Receipt Point(s) at a pressure sufficient to allow the Gas to enter the Transporter's System and to be delivered in Thermally Equivalent volumes less FLUF Gas at the Delivery Point(s) but shall not be delivered at pressures in excess of the maximum allowable operating pressure ("MAOP") of Transporter's System. Transporter's MAOP is 1,400 psig. Transporter is under no obligation to install compression or modify its line pressures to permit the entry of Shipper's Gas into Transporter's System.
- 2.2 Delivery Pressure. Transporter shall deliver Gas for Shipper's account at the pressure as existing from time to time in Transporter's System at the Delivery Point(s).

3. QUALITY

- 3.1 Gas Quality at the Receipt Point. The Gas delivered to Transporter for Shipper at the Receipt Point shall:
- (a) be merchantable Natural Gas commercially free from objectionable odors, solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with its intended purpose, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow; and
 - (b) satisfy the gas quality requirements in the FERC Gas Tariff of Kern River Gas Transmission Company then in effect.
- 3.2 Failure to Meet Specifications. If the Gas offered for transportation by Shipper will fail at any time to conform to any of the specifications set forth in Section 3.1, then Transporter shall have the right, exercisable by the giving of written or oral notice to Shipper, to immediately refuse to accept all or any portion of such Gas. In addition, Shipper shall indemnify, save and hold Transporter, its subsidiaries and/or affiliates and its directors, officers, employees and agents, free and harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of all persons resulting from Shipper's deliver to Transporter of Gas that fails to satisfy the quality requirements of Section 3.1 herein.
- 3.3 Continuing Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper will not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Transportation Service Agreement.

4. MEASUREMENT OF GAS

- 4.1 **Unit of Volume.** The unit of volume for the purpose of measurement shall be one (1) Cubic Foot of Gas. The readings and registrations of the measuring equipment hereinafter provided for and determinations of Total Heating Value will be computed in terms of such volumes.
- 4.2 **Factors Considered in Computation.** To determine the volume of Gas delivered, required factors such as pressure, temperature, specific gravity and deviations from Boyle's Law will be reflected in accordance with the American Gas Association Bulletin Number 3 and any modifications and amendments thereto, and applied in a practical manner.
- 4.3 **Determination of Dth Received or Delivered.** The number of Dth received or delivered during any Day at a Receipt Point or Delivery Point will be determined by multiplying the number of Cubic Feet of Gas received or delivered on such Day at such point by the Total Heating Value for that Day and by dividing the total so obtained by 1,000,000.
- 4.4 **Assumed Atmospheric Pressure.** The absolute atmospheric pressure used for volume calculations will be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter rounded off to the nearest one hundredth of a pound.
- 4.5 **Installation and Operation.** Transporter may install, maintain and operate, at its expense, at or near each Receipt or Delivery Point, a measuring station properly equipped with meters and other necessary measuring equipment and any related measurement and interconnection facilities; provided, that Transporter may require at its option that Shipper bear the expense of furnishing and installing such equipment in any instance in which Shipper requests a new or additional Receipt or Delivery Point for Shipper's convenience. Unless otherwise mutually agreed upon, such measuring equipment will be of a type generally accepted in industry practice by which the volume of Gas received from and delivered to Shipper will be measured. Where orifice meters are used they will be installed and operated in accordance with ANSI/API 2530, September 1985, and any modifications and amendments thereof, and applied in a practical manner. Where positive displacement meters, turbine meters, ultrasonic meters, or other measuring devices are used, they will be installed and operated in accordance with the then-current recommendations of the American Gas Association, where available. Btu measuring equipment will be installed by Transporter at a location or locations where the Total Heating Value of the Gas received and delivered by Transporter can be satisfactorily determined. Btu measurement may also be determined by Gas samples.
- 4.6 **For purposes of the measurement of Gas in this Section 4,** Transporter may rely on the measuring equipment installed and operated by a Delivering Pipeline at a Receipt Point or a Receiving Pipeline at a Delivery Point; provided, that such Delivering Pipeline or Receiving Pipeline installs and operates such equipment in accordance with the standards set forth in this Section 4. Shipper shall indemnify, save and hold Transporter, its subsidiaries and/or affiliates and their directors, officers, employees and agents, free and harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of Transporter's reliance under this Section 4.6.
- 4.7 **Check Measuring Equipment.** An Interconnect Operator may install, maintain and operate, at its own expense, such check measuring equipment as desired; provided, that such equipment will not be installed on property containing Transporter's measuring equipment at or near the Receipt or Delivery Points, and that such equipment will be installed so as not to interfere with the operation of the primary measuring equipment. Transporter and Interconnect Operator, in the presence of each other, may have access to the other's measuring equipment at all reasonable times for installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment. Only the party owning the equipment may perform these operations, unless otherwise agreed. The failure of either party to witness such operations will not affect the validity of the operations.
- 4.8 **Calibration and Test of Meters.** Transporter shall verify the accuracy of its own measuring equipment at reasonable intervals; provided that Transporter shall not be required to conduct such verification more frequently than once in a 90-day period. If either Transporter or Interconnect Operator notifies the other that it desires a special test of any measuring equipment, the operating party shall cooperate to secure an immediate verification of the accuracy of such measuring equipment and joint observation of any adjustments. The payment for all such tests shall be borne by the party requesting the test, unless otherwise agreed to by the parties.

If Transporter relies on the measuring equipment of a Delivery Pipeline or a Receiving Pipeline and Interconnect Operator notifies Transporter that it desires a special test of such measuring equipment, Transporter will exercise its rights to verify the accuracy of the measuring equipment of such Delivery Pipeline or Receiving Pipeline, subject to Interconnect Operator reimbursing Transporter for any payments or expenses associated therewith.

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- 4.9 Notice of Equipment Tests. Unless otherwise agreed to between Transporter and Interconnect Operator, the party operating the measuring equipment shall give notice to the other party of the time and location of all tests of Gas delivered hereunder or of any equipment used in measuring or determining the nature or quality of such Gas, in order that such other party may conveniently have its representative present. Upon request and thirty (30) Days written notice, each party will submit to the other its records, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt.
- 4.10 Correction of Metering Errors. If, upon test, any measuring equipment is found to be inaccurate by an amount exceeding two percent (2%) of the average rate of flow for the period since the last preceding test, such equipment will be adjusted at once to record accurately, and any previous recording of such equipment will be corrected to zero error for any period which is known definitely; but in the event the period is not known or agreed upon, such correction will be for a period extending over one-half of the time elapsed since the date of the last test.
- 4.11 Adjustment of Inaccuracies. Measurement data corrections should be processed within six (6) Months of the production month with a three (3) Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be dismissed by this standard.
- 4.12 Failure of Meters. In the event a meter is out of service or registering inaccurately, the volume of Gas delivered will be determined:
- (a) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or, in the absence of (a), then
 - (b) by using the registration of any check meter or meters if installed and accurately registering; or, in the absence of both (a) and (b), then
 - (c) by estimating the quantity of deliveries by comparison with deliveries during preceding periods under similar conditions when the meter was registering accurately.
- 4.13 Temperature and Specific Gravity. The following measurement factors shall be given due consideration.
- (a) The flowing temperature of Gas through the meters will be determined by means of a gas chromatograph located at Transporter's measuring station or any other point on Transporter's System.
 - (b) The specific gravity of Gas flowing through the meters will be determined by means of a recording thermometer of a type acceptable to both parties, install and maintained in accordance with the specifications set forth in the Gas Measurement Committee Report No. 3, prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revision.

5. BILLING AND PAYMENT

- 5.1 Transporter's Statement. Transporter's statement will include the following information:
- (a) The volume of Gas received by Transporter for Shipper's account during the preceding Month;
 - (b) The volume of Gas delivered by Transporter for Shipper's account during the preceding Month;
 - (c) The imbalance, if any, between the volumes of Gas received by Transporter and the volumes of Gas delivered by Transporter for Shipper's account after appropriate reductions for FLUF Gas, both for the preceding Month and cumulative for all preceding Months;
 - (d) The charges due and payable by Shipper for services rendered during the preceding Month or Months;
 - (e) The penalties due, if any, pursuant to Section 15 of the General Terms and Conditions of this Tariff; and
 - (f) The cashout amount, if any, pursuant to Section 16.4(b) of the General Terms and Conditions of this Tariff.
- 5.2 Payment by Shipper. On or before the twenty-fifth (25th) Day of each calendar month, Shipper shall make payment to Transporter for all amounts due Transporter as set forth on the statement referred to in Section 5.1. If requested by Transporter, such payment shall be made in immediately available funds on or before the due date to a depository designated by Transporter. If the 25th falls on a Day that the designated depository is not open in normal course of business to receive Shipper's payment, then Shipper's payment shall be made on or before the Business Day prior to the 25th that such depository is available.
- 5.3 Failure to Pay.
- (a) If Shipper fails to make timely payment of any part of the amount of any bill, the unpaid amount shall be deemed late, and Transporter shall charge interest from the date payment is due until the actual date of receipt of payment. The interest shall be compounded quarterly until paid.
 - (b) Interest shall be calculated in accordance with Section 154.501(d) of FERC's regulations.
 - (c) Transporter shall bill Shipper for any interest due in its next billing to Shipper, and Shipper will pay the amount due according to Section 5.2 herein. Transporter will not bill for interest that totals less than ten dollars (\$10.00) for a Shipper's aggregate delinquent bill. Transporter may waive the interest on late payments made within five (5) Days of the due date. Except as provided in Section 5.4 herein, if an uncontested bill remains unpaid for thirty (30) Days or more after payment is due, Transporter, in addition to any other remedy it may have, may, after giving Shipper fifteen (15) Days' written notice, suspend further receipt and delivery of Gas for Shipper or the account of Shipper until full payment for all service rendered to date plus interest is made.
 - (d) Transporter will not curtail, or will cease curtailing, under this Section 5.3 if Shipper cures any deficiency and provides any of the following adequate assurances:
 - (i) payment in advance for three (3) Month's service, which pre-payment shall be maintained as long as the Service Agreement remains in effect or, if sooner, until all credit concerns have been resolved;
 - (ii) a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter;
 - (iii) a security interest in collateral provided by Shipper found to be satisfactory to Transporter; or
 - (iv) a guarantee by a person or another entity which satisfies Transporter's creditworthiness requirements in Section 11.2 of the General Terms and Conditions.

- (e) Transporter will be entitled to recover from Shipper any reasonable expenses, costs or attorney's fees incurred to recover amounts owed for transportation services rendered by Transporter to Shipper arising from Shipper's failure to make timely payments under this Section 5.3.

5.4 Bill Contests.

- (a) A billing statement may be contested within one hundred eighty (180) Days from the date of such billing statement. If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. Transporter will have ninety (90) Days to provide its rebuttal. This time limit will not apply in cases of deliberate omission, misrepresentation or mutual mistake of fact.
- (b) Transporter will not suspend further deliveries of Gas to Shipper or for the account of Shipper under Section 5.3 herein, if Shipper:
 - (i) contests all or any part of a bill in good faith;
 - (ii) pays to Transporter the amounts it concedes to be correct;
 - (iii) provides documentation identifying the basis of the dispute; and
 - (iv) within thirty (30) Days of a demand made by Transporter furnishes a surety bond guaranteeing payment in the amount of the disputed portion of the bill and no default has occurred under the conditions of such bond.
- (c) No payment by Shipper of the amount of a disputed bill shall prejudice the right of Shipper to claim an adjustment of the disputed bill. Shipper shall pay interest on the disputed portion of a bill for which Shipper has withheld payment, and which ultimately is found to be due, according to this Section 5.4.
- (d) If an error is discovered in the amount of a bill, the error will be adjusted within thirty (30) Days of the determination that an adjustment is required, provided that the claim for adjustment will have been made within one hundred eighty (180) Days from the date of the billing statement. If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge, then, within thirty (30) Days after the final determination, Transporter will refund the amount overcharged with interest calculated in accordance with Section 154.501(d) of FERC's regulations. If it is determined that Shipper has been undercharged, then, within thirty (30) Days after the final determination, Shipper will pay the amount undercharged with interest calculated in accordance with Section 154.501(d) of FERC's regulations.

5.5 Right to Set Off Unpaid Amounts. In the event that Shipper does not pay the full amount due in accordance with Section 5.2 hereof, without prejudice to any other rights or remedies it may have, Transporter shall have the right to withhold and set off payment of any amounts of monies due by Transporter to Shipper, whether in connection with the Service Agreement in dispute or otherwise, against any and all amounts or monies due or owing by Shipper to Transporter for services performed under the Service Agreement in dispute.

5.6 Record Retention. Transporter and Shipper shall retain all records pertaining to billing and payment for at least five (5) years.

5.7 Access to Records. Each party hereto, or its designated representative, shall have access to the books and records of the other party during normal business hours to the extent such records are applicable to measurement and quantities of Gas delivered hereunder.

6. STATUTORY REGULATION

- 6.1 Regulation. FERC has granted Transporter authority to perform the transportation services provided under this Tariff at market-based rates. Unless otherwise mutually agreed to by the parties, the rates for service under any Service Agreement shall remain in effect for the term of such Service Agreement and shall not be subject to change by either party, absent the mutual agreement of the parties, or by FERC pursuant to the provisions of Sections 4 or 5 of the Natural Gas Act except upon a showing that such change is in the public interest.
- 6.2 Transporter's terms and conditions of service provided under this Tariff are subject to regulation by FERC under the Natural Gas Act and any successor or supplemental act. Transporter shall have the right to file from time to time with FERC under Section 4 of the Natural Gas Act such new terms and conditions to the existing effective Tariff as Transporter may find necessary or appropriate from time to time. Shipper shall have the right to protest any such changes before FERC. Notwithstanding any other provision hereof, these provisions are subject to all valid legislation and all valid present or future orders, rules and regulations of duly constituted authorities now or hereafter having jurisdiction.

7. WARRANTY OF TITLE

- 7.1 Warranty. Shipper tenders and Transporter accepts Shipper's Gas at the Receipt Point(s) subject to the condition that Shipper warrants that it will at the time of delivery of Gas to Transporter for transportation, have good title to all Gas so delivered to Transporter, free and clear of all liens, encumbrances and claims whatsoever, and that it will at such time of delivery have the right to deliver such Gas. Transporter may also request Shipper's proof of right to purchase or transport such Gas.

Subject to the foregoing, Transporter warrants that it will, at the time of delivery of the transported Gas to Shipper at the Delivery Point(s), have the right to deliver said Gas free and clear of all liens, encumbrances and claims whatsoever.

- 7.2 Indemnity. Each party shall indemnify, save and hold the other party, its subsidiaries and/or affiliates and their directors, officers, employees and agents, free and harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of all persons to the Gas delivered by it to such other party.

8. FORCE MAJEURE

- 8.1 Relief from Liability. Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any actual or threatened blockades, insurrections, riots, epidemics, floods, washouts, landslides, mudslides, earthquakes, extreme cold or freezing weather, lightning, rulers and peoples, civil disturbances, explosions, breakage or imminent breakage or freezing of or accident to machinery or line of pipe, the order of any court or governmental authority having jurisdiction, required maintenance of facilities, labor disturbances, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension.
- 8.2 Liability not Relieved. Such causes or contingencies affecting the performance under the executed Service Agreement by either Transporter or Shipper, however, will not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor will such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due in respect of Gas theretofore delivered.

9. LIABILITY AND RISK OF LOSS

- 9.1 Liability for Facilities. Each party assumes full responsibility and liability arising from the operation of the pipeline and facilities owned by it and agrees to hold the other party harmless from any liability of any nature arising from the owning party's installation, ownership, and operation thereof. Transporter may, but shall have no obligation to, odorize Gas delivered to Shipper under this tariff nor to maintain any odorant level.
- 9.2 Risk of Loss. Except as otherwise provided in the Service Agreement and in Section 8.1 of the General Terms and Conditions, risk of loss to the volumes of Gas transported shall pass to Transporter upon delivery to Transporter for Shipper's account and to Shipper upon delivery by Transporter for Shipper's account; provided that Transporter will not be responsible for risk of loss if Shipper fails to make all appropriate arrangements to receive Gas from Transporter at the Delivery Point(s).
- 9.3 Transporter shall not be liable to Shipper for any damages, costs, or expenses incurred as a result of Shipper's contracting for transportation service(s) on Transporter's facilities.

10. POSSESSION OF GAS

- 10.1 As between Transporter and Shipper, Shipper will be deemed to be in control and possession of the Gas prior to delivery of the Gas to Transporter for transportation at the Receipt Point(s). Transporter will be deemed to be in control and possession of the Gas following receipt of the Gas from Shipper at the Receipt Point(s) and prior to delivery of the Thermally Equivalent Gas volumes (less FLUF Gas) to Shipper at the Delivery Point(s), after which Shipper will be deemed to be in control and possession.
- 10.2 Shipper will have no responsibility with respect to any Gas after it has been delivered to Transporter at the Receipt Point(s) on account of anything which may be done, happen or arise with respect to said Gas, prior to the delivery of Thermally Equivalent volumes (less FLUF Gas) to Shipper at the Delivery Point(s); provided that Shipper makes all appropriate arrangements to receive Gas from Transporter at the Delivery Point(s). Transporter will have no responsibility with respect to said Gas prior to its delivery to Transporter at the Receipt Point(s), after its redelivery to Shipper at the Delivery Point(s), or on account of anything which may be done, happen or arise with respect to said Gas prior to such receipt or after such delivery.

11. SERVICE AGREEMENT AND CREDITWORTHINESS

- 11.1 Form of Agreement. If sufficient capacity is or will be available and Shipper and Transporter negotiate mutually agreement rates and charges for service, Transporter and Shipper shall execute a Service Agreement covering the service contemplated. The executed Service Agreement, together with the General Terms and Conditions and applicable Rate Schedule shall constitute the entire agreement between the parties for service provided therein and shall be modified only in writing.
- 11.2 Creditworthiness. Transporter will not be required to execute a Service Agreement on behalf of or initiate service to a Shipper who fails to meet Transporter's standards for creditworthiness in this Section 11.2.
- (a) For purposes herein, the determination of Shipper's creditworthiness for firm transportation services will be based upon the level of service requested by Shipper, and
- (i) a credit rating of investment grade, defined as a rating of at least "BBB" by Standard & Poor's Corporation, a rating of at least "Baa3" by Moody's Investors Service; or
- (ii) if Shipper is not rated by Standard & Poor's or Moody's, an equivalent rating of investment grade as determined by Transporter based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time. In the event that Transporter determines the Shipper does not have an equivalent rating of investment grade, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's as an alternative, or request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time.
- (b) To permit Transporter to conduct a review of creditworthiness, any Shipper or prospective Shipper will, upon request by Transporter, render to Transporter the following:
- (i) A copy of Shipper's most recent audited financial statement and unaudited quarterly statements certified by the Chief Financial Officer of the Shipper. The certification shall state that such unaudited financial statements fairly represent the financial condition and the results of the operations of the Shipper for the period indicated and are prepared in accordance with generally accepted accounting principles;
- (ii) The certification shall confirm that:
- (1) Shipper is not operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only with adequate assurances that the billing will be paid promptly as a cost of administration under the federal court's jurisdiction;
- (2) Shipper is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity;
- (3) If Shipper has an on-going business relationship with Transporter, Shipper has no delinquent balances outstanding for services provided previously to Transporter and that Shipper has paid its account in the past according to established terms and not made deductions or withheld payment for claims not authorized by contract;
- (4) No significant collection lawsuits or judgments are outstanding which would seriously reflect upon the Shipper's ability to remain solvent.
- (iii) Such other documentation as the Transporter shall reasonably request in connection with the service contemplated;

- (iv) A list of Shipper's affiliates, including parent and subsidiaries, if applicable. In the event Shipper cannot provide the information above, Shipper shall, if applicable, provide that information for its parent company.
- (c) If Shipper fails to satisfy these creditworthiness criteria, Shipper may still obtain service hereunder if it elects to provide security for the payment of amounts due, as follows:
 - (i) One or more irrevocable, transferable, standby letters of credit from a major U.S. commercial bank or a foreign bank with a U.S. branch office. Such bank shall have a credit rating of at least "A+" from Standard & Poor's or "A1" from Moody's and \$10 Billion in assets. The letter of credit shall be in favor of and in a form acceptable to Transporter; or
 - (ii) A guaranty in favor of and in a form acceptable to Transporter from an entity acceptable to Transporter; or
 - (iii) A cash prepayment in an amount equal to the cost of up to three (3) Months of the service requested.
- (d) Transporter shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs.
- (e) Transporter may specify in the executed Service Agreement a maximum level of service to be provided to Shipper based on the creditworthiness criteria specified in this Section 11 ("credit limit"). Transporter is not obligated to provide service to Shipper if such service would cause Shipper to exceed its credit limit.

12. INTERRUPTIONS OF SERVICE

- 12.1 Tests and Repairs. Transporter shall have the right, without liability to Shipper, to interrupt the transportation of Gas for Shipper when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, Transporter's System, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper because of such interruptions.
- 12.2 Operational Control. Transporter shall retain full operational control of its System and shall at all times be entitled to schedule deliveries and to operate its System in a manner which, in Transporter's sole opinion, is consistent with the obligations and operating conditions as they may exist from time to time on Transporter's System, or which will allow Transporter to optimize the receipt and/or utilization of Gas supplies on its System now and in the future. Nothing in any Service Agreement shall be deemed to impinge on such operating flexibility.

13. OPERATING PROCEDURES

- 13.1 **General Procedure.** Shipper will notify Transporter by facsimile transmission, Internet email or other mutually agreeable means of electronic communication each Day (or other time periods as mutually agreed upon by Shipper and Transporter) of the quantity of Gas Shipper desires scheduled on the following Day in accordance with Section 17. Transporter will advise Shipper by facsimile transmission, Internet email or other mutually agreeable means of electronic communication of the quantity it will accept for transportation, which quantity will be the Scheduled Quantity unless operating conditions require an adjustment.
- 13.2 **Limitation Upon Transporter's Daily Transportation Obligation.** Transporter will not be obligated to deliver to Shipper on any Day a greater quantity of Gas, on a Thermally Equivalent basis, than it has received from Shipper on such Day, reduced by the quantity required for FLUF Gas.
- 13.3 **Records of Scheduled Quantities.** Transporter will keep accurate records of Scheduled Quantities of Gas and any imbalances, which records will be made available to Shipper at its request. If Shipper's Gas is commingled with other Gas at the Receipt Point(s) or at the Delivery Point(s), the scheduling arrangements and Transporter's records will include procedures for the division of the total Quantity at such points.
- 13.4 **Arrangements Prior to Receipt and After Delivery.** It will be Shipper's obligation to make arrangements with other parties for delivery of Gas into Transporter's System at the Receipt Point(s) and for receipt of Gas after transportation at the Delivery Point(s). Shipper will be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records. Such arrangements must be satisfactory to Transporter.
- 13.5 **Operating Information and Estimates.** Upon request of Transporter, Shipper will from time to time submit estimates of the daily, monthly and annual quantities of Gas to be transported hereunder together with such other operating data as Transporter may require in order to schedule its operations.
- 13.6 **Disaster Recovery Procedures.** In the event of a disaster such that Transporter's or Receiving Party's communication capability is not available for confirmation and scheduling of Gas receipts and deliveries, nominations will remain in effect as confirmed for the most current Gas Day, unless alternate emergency communication methods are established.

14. FUEL, LOST AND UNACCOUNTED FOR GAS

- 14.1 Reimbursement. Shipper will cause FLUF Gas to be furnished in kind each Day by applying a FLUF Gas Factor to Receipt Point nominations.
- 14.2 FLUF Gas Factor. Transporter shall determine the FLUF Gas Factor on a monthly basis in a manner that reflects actual fuel used, if any, and actual lost and unaccounted for gas based on meter readings at the Receipt and Delivery Points.

15. OPERATIONAL FLOW ORDERS

- 15.1 Issuance. Transporter, in its reasonable discretion, shall have the right to issue OFOs at any time when in its reasonable judgment it is necessary to maintain or restore the operational integrity of its System. Additional circumstances under which Transporter may determine that OFOs may be issued include, but are not limited to:
- (a) Responding to an event of force majeure;
 - (b) When an emergency arises that impacts line pack in order to insure maintenance of the necessary level of line pack;
 - (c) Accommodating emergency maintenance and repairs; and/or
 - (d) Preventing receipts or deliveries that conflict with contractual entitlements of others.
- 15.2 Automatic Issuance. Unless otherwise specified by Transporter, an OFO identical in terms to that of the Delivering Pipeline shall be deemed to be issued automatically by Transporter whenever the Delivering Pipeline or the Receiving Pipeline issues an OFO affecting deliveries to or by Transporter.
- 15.3 Identification of Shippers. Whenever possible, Transporter shall identify those Shipper(s) whose action(s) require Transporter to issue an OFO and shall limit the applicability of the OFO to such Shipper(s). If Transporter is unable to identify those Shipper(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, Transporter may issue an additional OFO applicable to all Shippers on a nondiscriminatory basis.
- 15.4 Notice. Transporter shall notify the affected Shipper(s) by a facsimile transmission, Internet email or other mutually agreeable means of electronic communication that will set forth the causes or conditions necessitating the OFO, unless notice has already been deemed given as provided in Section 15.2 above. Transporter shall issue an OFO as expeditiously as is reasonable and practicable in the circumstances. Each Shipper shall designate an operational contact for Transporter to notify on a 24 hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication. When practicable, Transporter shall provide sufficient notice to customers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
- (a) time and date of issuance;
 - (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
 - (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
 - (d) the party or parties receiving the OFO;
 - (e) causes or conditions requiring issuance of the OFO;
 - (f) specific action necessary to remedy the causes or conditions; and
 - (g) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO.

On the Day prior to the commencement of the Gas Day, no later than 5:00 p.m. Central Clock Time, during the scheduling and confirmation procedure, Transporter will post the OFO(s) on Transporter's Designated Site. Unless otherwise specified in the OFO, compliance must commence at the beginning of the applicable Gas Day.

- 15.5 Failure to Comply with OFO. If Shipper (or Shipper's designee or successor) fails to comply with the terms of an OFO for reasons other than force majeure such Shipper, its designee or successor shall be liable for a penalty equal to the greater of twenty-five dollars (\$25.00) or four (4) times the highest absolute price at Kern River/Opal as reflected in the Daily Price Survey in Platt's Energy Trader "Gas Daily" for each of the Days during which a Shipper fails to comply with an OFO for each Dth of Gas that does not comply. Transporter may in its reasonable judgment waive on a nondiscriminatory basis penalties due to noncompliance with an issued OFO. No penalties shall be assessed on Shipper for noncompliance with an issued OFO when such OFO is due to force majeure invoked by Transporter.

- 15.6 **OFO Penalty Revenue Crediting.** Transporter shall credit penalty revenues, less reasonable administrative and operating costs, received by Transporter during any Month. Such credits will be allocated to all firm and interruptible transportation customers (collectively, the "Specified Customers"), except each penalty revenue credit shall be allocated only to those customers who were not assessed any such penalty in the Month for which such penalty revenues are to be credited. The credits will be allocated to the Specified Customers pro rata in proportion to the revenue (total revenue, net of credits from capacity releases as described in Section 19 of the General Terms and Conditions, less all surcharges) received by Transporter from each and all of the Specified Customers for each applicable Month. Such revenue credits shall be reflected as a credit billing adjustment to the next Month's billings rendered after the applicable Month. In the event that such credit billing adjustments would result in a credit total invoice to any Specified Customer, Transporter will refund the credit billing adjustment to the Specified Customer in cash within fifteen (15) Days after determination of the amount of the credit due to the Specified Customer.
- 15.7 **Shipper Not Liable.** Shipper will not be liable for any penalties which might otherwise be imposed by Transporter with respect to any action taken by such Shipper in conformance with an OFO issued by Transporter.
- 15.8 **Transporter Not Liable.** Transporter will not be liable for any damages, costs or expenses incurred as a result of an OFO.
- 15.9 **Reporting.** Within ten (10) Days after an OFO terminates, Transporter will post a report on Transporter's Designated Site containing information on the factors that caused the OFO to be imposed and to be terminated.

16. IMBALANCE MANAGEMENT

16.1 Balancing of Transportation Quantities.

- (a) A Shipper must maintain a monthly balance between net receipts (less FLUF Gas in accordance with Section 14 of the General Terms and Conditions) and deliveries within a two percent (2%) imbalance tolerance.
- (b) Transporter will make monthly imbalance information available to the Shipper on or before the ninth (9th) Business Day of each Month following the Month during which Gas was transported. An imbalance statement will be tendered to Shipper with Shipper's monthly bill issued according to Section 5 of the General Terms and Conditions.
- (c) At the end of each calendar Month in which Shipper's net receipts (less FLUF Gas) do not equal deliveries on a Dth basis, the following procedures will apply:
 - (i) Shipper's imbalances under each Service Agreement will be netted together for monthly imbalance calculations.
 - (ii) Shippers will have through the last Day of the current calendar month to remedy any imbalance exceeding the imbalance tolerance. To remedy an imbalance, Shipper will have the ability to trade imbalances pursuant to Section 16.2 herein.
 - (iii) Subject to available transportation capacity, operational constraints and approval by Transporter during the remainder of the Month after notification of its monthly imbalance, a Shipper may eliminate its prior Month imbalance through either a physical payback or take of Gas in lieu of or in connection with imbalance trading. Nominations to reduce the prior Month imbalance must be designated for that purpose. Transporter will consider each Shipper's request to exercise its option under this Section 16.1(c)(iii) and will, on a nondiscriminatory basis, and subject to prudent operational practices, honor the request.
 - (iv) If a Shipper cannot cure an imbalance due to force majeure, Transporter will extend the time period for the Shipper to resolve such imbalance for a period equal to the length of the force majeure event.
 - (v) To the extent a Receiving Pipeline requires Transporter to cashout an imbalance attributable to shipments made for the account of Shipper, Shipper will reimburse Transporter the amount of such cashout in accordance with Section 5 of the General Terms and Conditions.

16.2 Shipper Imbalance Trading. A Shipper may trade imbalances with another Shipper, provided that the Shipper with an imbalance resulting from deliveries by Transporter in excess of receipts from Shipper will reimburse Transporter for any difference in transportation revenues that may result from such trading. Any trading of Shipper Imbalances must result in each Shipper's imbalance decreasing.

- (a) All imbalance trading will be conducted through electronic and/or facsimile communications with Transporter, which will be posted on Transporter's Designated Site. If a Shipper desires to trade an imbalance, such Shipper must consent to Transporter's release of necessary information regarding the imbalance.
- (b) Shippers that trade imbalances are responsible for making whatever arrangements they deem necessary to finalize and document the imbalance trade between them.
- (c) Transporter will not be responsible for eliminating any imbalances between Shipper and any third party. Furthermore, Transporter will not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.
- (d) A Shipper may designate a third party or Agent to provide imbalance management services.

16.3 Corrective Action by Transporter. Transporter will have the right to take actions of whatever nature may be required (including termination or reduction of service to Shipper) to correct any imbalances which impair the operation of or threaten the integrity of Transporter's System, including maintenance of service to other Shippers.

16.4 Imbalances at Termination of Service.

- (a) Following the end of the primary term of the Transportation Service Agreement or such earlier termination as provided herein, Shipper shall correct any remaining imbalance within thirty (30) Days after notice by Transporter that an imbalance exists.
 - (b) In the event an imbalance has not been completely eliminated in accordance with Section 16.4(a) herein, such imbalance will be cashed out as follows:
 - (i) If Shipper is overdelivered, Transporter will credit Shipper's account an amount equal to the overdelivered volume multiplied by ninety percent (90%) of the average of the prices (first of the month, Rocky Mountain price as published in the Inside FERC Gas Market Report) for gas delivered to the Receiving Pipeline(s) for the Month in which the average of the prices for such Receiving Pipeline(s) was lowest during the period in which the imbalance has existed.
 - (ii) If Shipper is underdelivered, Shipper will pay Transporter an amount equal to one hundred ten percent (110%) of the average of the prices (first of the month, Rocky Mountain price as published in the Inside FERC Gas Market Report) of gas delivered to the Receiving Pipeline(s) for the Month in which the average of the prices for such Receiving Pipeline(s) was highest during the period in which the imbalance has existed.
 - (iii) As long as any of the indices listed above continues to be listed in the Inside FERC Gas Market Report, such indices will be used. If none of the indices referred to are reported or if the Inside FERC Gas Market Report ceases to be available, then Transporter will use the index that, in Transporter's sole discretion, is most comparable to the indices referred to above.
- 16.5 System Integrity. Nothing herein shall limit Transporter's right to take actions or to require Receiving Parties or Shippers hereunder to take actions of whatever nature may be required to correct any situations which may threaten the operation or integrity of Transporter's System, including maintenance of service to other customers. Among the actions Transporter shall be entitled to take is the issuance of Operational Flow Orders in accordance with Section 15 above.

17. SCHEDULING AND NOMINATIONS

17.1 Nomination Process.

- (a) Shipper will provide Transporter with a completed Customer Nomination Form by facsimile transmission, Internet email or other mutually agreeable means of electronic communication. No transportation service will commence unless or until Transporter has received the completed Customer Nomination Form and has advised Shipper that service may commence.
- (b) Initial Service.

All Transportation Service Providers should support the following standard nomination cycles:

- (i) The Timely Nomination Cycle: 11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter (including from title Transfer Tracking Service Providers (TTTSPs)); noon to send Quick Response; 3:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).
- (ii) The Evening Nomination Cycle: 6:00 pm for nominations leaving control of the nominating party; 6:15 pm for receipt of nominations by the transporter (including from TTTSPs); 6:30 pm to send Quick Response; 9:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for Transportation Service Provider 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 does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

- (iii) The Intraday 1 Nomination Cycle: 10:00 am for nominations leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter (including from TTTSPs); 10:30 am to send Quick Response; 1:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 pm for Transportation Service Provider 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 pm on gas day.
- (iv) The Intraday 2 Nomination Cycle: 5:00 pm for nominations leaving control of the nominating party; 5:15 pm for receipt of nominations by the transporter (including from TTTSPs); 5:30 pm to send Quick Response; 8:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 pm for Transportation Service Provider 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 pm on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.
- (v) For purposes of (ii), (iii), and (iv), "provide" shall mean send or post.
- (vi) The Timely Nomination/Intraday Nomination Model included in NAESB WGQ 1.3.2(vi) is incorporated by reference.

- (c) Intraday Nominations.

If Transporter determines at any time that the capacity of its System or any portion thereof, including the point(s) at which Gas is tendered for transportation, is sufficient to serve transportation requirements for which nominations have been received in accordance with Section 17.1(a) but which have not been scheduled to receive service on

that Day, Transporter may notify affected Shippers and may allocate available capacity to such requirements in accordance with this Section 17.1(c) on the basis of requested nominations which are confirmed by such Shippers by telephone or by other means of communication within one hour of the time that such notice is provided; provided, however, that capacity shall be allocated solely on the basis of nominations for the Month in which such capacity becomes available and not on the basis of nominations for prior Months.

To initiate an Intraday Nomination, Shipper must submit a completed Customer Nomination Form indicating the revisions to be made and the dates for which such revisions are applicable. Transporter will notify Shippers and Interconnect Operators of scheduled Intraday quantities.

17.2 Scheduling Process.

- (a) Scheduling Priorities. The quantity of Gas that Transporter is obligated to deliver on any Day will be limited to the quantity of Gas received by Transporter for Shipper's account on such Day as adjusted for FLUF Gas and will be limited to the quantities set forth in Shipper's Service Agreement. Scheduled deliveries by Transporter for a Shipper will be subject to confirmation of scheduled receipts and deliveries by Transporter for Shipper's account, except as provided in Section 17.2(b). Transporter will schedule nominated quantities in the following sequence: first, by mainline capacity; and, second, by Receipt Points and Delivery Points, as follows:
- (i) Mainline Capacity. Mainline capacity will be allocated in the priority and sequence described below:
- (1) To Shippers nominating firm transportation service.
 - (2) To Shippers nominating interruptible transportation service and authorized overrun service.
- If available mainline capacity is insufficient to accommodate the total quantities nominated, then available capacity will be allocated based on rate paid and then pro rata based on nominated quantities when two or more Shippers are paying the same rate and available capacity is insufficient to accommodate all nominations at the same rate.
- (ii) Receipt Point and Delivery Point Capacity: After mainline capacity has been allocated, Receipt Point and Delivery Point capacity will be allocated in the priority and sequence described below:
- (1) To Shippers nominating Firm Transportation Service with primary entitlements at the Receipt Point(s) and Delivery Point(s).
- If Receipt Point or Delivery Point capacity is constrained, then available capacity will be allocated pro rata, based on each Shipper's primary entitlements at the constrained point.
- (2) To Shippers nominating Firm Transportation Service without primary entitlements at the Receipt Point(s) and Delivery Point(s).
- If Receipt Point or Delivery Point capacity is constrained, then available capacity will be allocated pro rata, based on each Shipper's current Maximum Daily Receipt Obligation or Maximum Daily Delivery Obligation, as applicable.
- (3) To Shippers nominating Interruptible Transportation Service and Authorized Overrun Service.
- If Receipt Point or Delivery Point capacity is insufficient to accommodate the total Quantities nominated, then available capacity will be allocated based on rate paid and then pro rata based on nominated quantities when two or more Shippers are paying the same rate and available capacity is insufficient to accommodate all nominations at the same rate.

- (b) **Bumping.** During each nomination cycle, available capacity will be scheduled pursuant to the priority and sequence described in Section 17.2(a). Once scheduled, nominations for Firm Transportation Service will not be bumped.

If quantities are reduced as a result of bumping, Transporter will provide advance notice to each affected Shipper and will indicate whether penalties will apply. Such notice will be provided by facsimile transmission, Internet email or other mutually agreeable means of electronic communication, as specified by the Shipper.

Each Shipper will designate an operational contact for Transporter to notify on a 24 hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper will be solely responsible for any consequences arising from such failure of communication.

- (c) **Contractual Priorities.** The foregoing scheduling priorities and capacity allocation methodologies will control and govern the provision of service on Transporter's System, notwithstanding anything to the contrary which may be expressed or implied in any executed Transportation Service Agreement.

- 17.3 **Interruption/Curtailment Procedures.** If, at any time, Transporter determines that the capacity of its System or any portion thereof, including capacity at Receipt Points or Delivery Points, is insufficient for any reason to serve all scheduled Quantities, then Transporter will, without liability to any Shipper, curtail or interrupt deliveries. Such curtailment or interruption will occur in a reverse order to the scheduling sequence set forth in Section 17.2.

18. ALLOCATION OF RECEIPTS AND DELIVERIES

- 18.1 Allocation of Receipts. Unless prohibited by applicable law or regulation, the quantities received by Transporter at any Receipt Point will be allocated among Shippers and services as follows:
- (a) In accordance with allocation procedures specifically agreed to by Transporter and the Interconnect Operator(s) of the Receipt Point(s), as set forth in an Operational Balancing Agreement.
 - (b) In the absence of a methodology set forth in 18.1(a), Shipper will cause the Interconnect Operator at the Receipt Point to notify Transporter of the pre-determined allocation ("PDA") methodology to be utilized in determining actual receipts among all Shippers scheduled to receive service at the Receipt Point. Such notification must be submitted by facsimile transmission, Internet email or other means of electronic communication mutually agreed between Transporter and Interconnect Operator. Such PDA will be effective for the term specified in the PDA agreement, provided that the term may not cover a period of less than one Day. The chosen methodology must allocate receipts, to the maximum extent possible, based upon confirmed nominations.
 - (c) In the absence of methodology set forth in 18.1 (a) or (b) above, Transporter will rely on its default methodology of allocating quantities to all Shippers. Pro rata based on confirmed nominations will be used as the default method.
- 18.2 Allocation of Deliveries. Unless prohibited by applicable law or regulation, the quantities delivered by Transporter at any Delivery Point will be allocated among Shippers and services as follows:
- (a) In accordance with any allocation procedures specifically agreed to by Transporter and the Interconnect Operator(s) of Delivery Point(s), as set forth in an Operational Balancing Agreement.
 - (b) In the absence of a methodology set forth in 18.2(a) above, Shipper will cause the Interconnect Operator at the Delivery Point to notify Transporter of the pre-determined allocation ("PDA") methodology to be utilized in determining actual deliveries among all Shippers and services scheduling service at such Delivery Point. Such notification must be submitted by facsimile transmission, Internet email or other means of electronic communication mutually agreed between Transporter and Interconnect Operator. Such PDA will be effective for the term specified in the PDA agreement provided that such term may not cover a period of less than one Day. The chosen methodology must allocate deliveries, to the maximum extent possible, based upon confirmed nominations.
 - (c) In the absence of a methodology as described in 18.2 (a) or (b) above, Transporter may rely on its default methodology of allocating quantities to all Shippers. Pro rata based on confirmed nominations will be used as the default method.
- 18.3 Notification of Allocation Rules. Upon written notification to Transporter, the Interconnect Operator may change its respective allocations and allocation methodologies prospectively during the Month, but not retroactively. Upon receipt of a request from Shipper, Transporter will notify Shipper of the allocation procedure utilized at Shipper's Receipt and Delivery Points.

19. CAPACITY RELEASE

19.1 Definitions. For the purposes of this Section 19, the following definitions will apply to Capacity Releases.

- (a) Releasing Shipper: A firm Shipper or Replacement Shipper under an executed Service Agreement that pays a Reservation Charge and that intends to have Transporter post all or any portion of firm capacity for which it pays a Reservation Charge to be released to a Replacement Shipper.
- (b) Replacement Shipper: A Shipper that has contracted for service with Transporter to utilize a Releasing Shipper's released firm service for a specified period of time. Replacement Shippers must meet all of the terms and conditions of Transporter's Tariff as required of any other Shipper.
- (c) Potential Replacement Shipper: A Shipper that desires to acquire released firm capacity.
- (d) Bidder: A party submitting a bid(s) to Transporter for released capacity.
- (e) Prearranged Bidder: A party that desires to contract directly for or who has contracted directly for capacity of a Releasing Shipper and that has agreed to the terms of a capacity release transaction directly with a Releasing Shipper. Prearranged Bidders must meet all of the terms and conditions of Transporter's Tariff as required of any other Shipper.
- (f) Open Bidding: Full disclosure of the bid(s) submitted to the Designated Site, excluding the bidder(s) name.
- (g) The Economic Value of a bid: The total net present value of the reservation charge bid for the release of firm capacity. The net present value shall be computed from the monthly demand and capacity, or reservation revenues to be received over the term of the release contract, using the discounted cash flow rate of return methodology, with the rate of discounting, as updated from time to time, to be posted on Transporter's Designated Site.

For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to Releasing Shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation.

- (h) Open Season: The minimum number of Business Days allowed for posting releases and accepting bids.

19.2 General Provisions.

- (a) Any Shipper is eligible to release for use by another party all or part of firm capacity for which the Releasing Shipper pays a monthly reservation charge. Capacity to be released shall be defined as capacity between a Receipt Point and a Delivery Point, for use by another party for a minimum term of one (1) Day and a maximum term not to exceed the remaining term of the Releasing Shipper's firm Service Agreement.
- (b) Any Replacement Shipper that has previously contracted for released capacity may also release the capacity to another party, thereby becoming a Releasing Shipper, subject to the requirements of this Section 19.
- (c) Any Potential Replacement Shippers may submit to Transporter by facsimile transmission, Internet email or other mutually agreeable means of electronic communication offer(s) to purchase released capacity. If an offer to purchase results in a capacity release being offered, such release is subject to the bidding requirements of this Section. Offers to purchase capacity must include desired receipt and delivery point(s), contract volume, and contract term.
- (d) All release requests under Section 19.3 below and bids for released capacity under Section 19.4 below must be submitted to Transporter by facsimile transmission, Internet email or other mutually agreeable means of electronic communication. Transporter

shall post on its Designated Site release requests, offers to purchase released capacity, bids for released capacity and awards of released capacity under Section 19.5 below in accordance with the capacity release timeline set forth in Section 19.6 below.

- 19.3 Release Requests. All requests to release capacity shall set forth the following:
- (a) Releasing Shipper's name, contract number and contract quantity to be released;
 - (b) Receipt Point and Delivery Point;
 - (c) Commencement date and termination date for the release;
 - (d) Minimum volume, minimum term, and minimum rate for the release which Releasing Shipper is willing to accept;
 - (e) Whether the release will occur on a firm recallable or nonrecallable basis and, if on a recallable basis, the specific terms and conditions under which recall may occur;
 - (f) Whether the release is subject to any reput rights and the specific terms and conditions under which such reput rights may be exercised;
 - (g) Any specific conditions of the release, which conditions must be objectively stated, applicable to all bidders, operationally feasible, non-discriminatory to other shippers and consistent with this Tariff. If Releasing Shipper submits no release conditions, or Transporter finds the requested conditions operationally infeasible or inconsistent with this Tariff, the released capacity shall be subject to the conditions currently effective in this Tariff. Releasing Shipper must notify Transporter if the minimum conditions precedent to the release are not to be posted on the Designated Site until after the capacity is awarded;
 - (h) An irrevocable statement, subject only to the provisions of Section 19.7, that the Releasing Shipper will release its transportation rights on the terms and conditions set forth in its Release Request if all such terms are accepted by a Bidder; and
 - (i) Whether the Releasing Shipper has entered into a binding agreement to release its transportation rights to a Prearranged Bidder. In such event, the Releasing Shipper shall additionally submit the following:
 - (i) The Prearranged Bidder's legal name, and the name, telephone number, facsimile transmission number and Internet email address of the person to contact concerning the prearranged release;
 - (ii) All terms and conditions to which the Prearranged Bidder has agreed;
 - (iii) A statement which represents and warrants that the Prearranged Bidder has entered into a binding agreement with the Releasing Shipper to accept the transportation rights on the terms and conditions prescribed in the Release Request. Upon Transporter's request, the Releasing Shipper will provide Transporter with a true and complete copy of a fully executed written arrangement between the Releasing Shipper and the Prearranged Bidder concerning the proposed release;
 - (iv) Whether the Prearranged Bidder is an asset manager as defined in 18 C.F.R. Section 284.8(h)(3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.(h)(4); and
 - (v) If the Prearranged Bidder is an asset manager, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper.
- 19.4 Bidding. All bids for released capacity shall include the following:
- (a) Bidder's name and the name, telephone number, fax number and email address of the person to contact concerning the bid;
 - (b) Release Request number bidding on;
 - (c) Proposed commencement and termination date of the release term, which must be consistent with term specified in the Release Request;
 - (d) Proposed Receipt Point and Delivery Point;

- (e) Proposed quantity and rate comprising the bid;
- (f) Minimum percentage of the volume which the Bidder is willing to accept;
- (g) If applicable, any affiliate of Transporter involved in the transaction; and
- (h) An irrevocable statement, subject only to the provisions of Section 19.7, that the Bidder agrees to accept the release in accordance with the terms and conditions set forth in the Release Request.
- (i) If a prearranged release, whether the Prearranged Bidder is an asset manager as defined in 18 C.F.R. Section 284.8(h)(3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h)(4); and
- (j) If the Prearranged Bidder is an asset manager, the asset manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper.

19.5 Awarding of Released Capacity. Transporter shall determine the winning bid.

- (a) Unless Releasing Shipper specifies otherwise, bids will be evaluated based on the Economic Value of the reservation charges bid by each Bidder.
- (b) If a Release Request includes a Prearranged Bidder, then the release will be awarded to the Prearranged Bidder if its bid has an Economic Value that is equal to or higher than the highest Economic Value of each of the bids submitted by all other Bidders, or if it matches the bid with the highest Economic Value within the time period provided by Section 19.6.
- (c) If only one Bidder has submitted a bid which reflects the highest Economic Value, then the capacity will be awarded to that Bidder, subject to any Prearranged Bidder's exercise of its right to match as set forth in 19.5(b).
- (d) If two or more Bidders have submitted bids which each reflect the highest Economic Value, then, subject to any Prearranged Bidder's exercise of its right to match as set forth in 19.5(b), the capacity will be awarded on the basis of a lottery which is limited to such Bidders. Transporter will conduct the lottery using a computerized random number generator unless the releasing Shipper specifies another non-discriminatory method for determining the winning bid. Transporter's lottery or calculation of the applied method will result in the award of released capacity to only one (1) successful Bidder per Release Request.
- (e) If the capacity to be awarded to the highest Bidder would not result in awarding all of the capacity to be released, then Transporter shall award the remaining capacity based on the Economic Value of each bid for each receipt and delivery point combination, from highest Economic Value to lowest Economic Value, with the process of awarding capacity to Bidders continuing until all of the capacity has been awarded or until all valid bids have been accepted. Transporter shall break ties and determine the winning bid(s) in those situations by holding a lottery using a computerized random number generator unless the releasing Shipper specifies another non-discriminatory method for determining the winning bid.
- (f) A Replacement Shipper must comply with Section 11 of the General Terms and Conditions of this Tariff. A Bidder must submit a request for pre-qualification for credit as a Shipper to Transporter in order to expedite implementation of capacity release service. For releases of less than one (1) year, a Replacement Shipper may not submit a bid where the Economic Value exceeds that Shipper's established credit limit. For releases of one (1) year or more, if a Replacement Shipper submits a bid where the Economic Value exceeds that Shipper's established credit limit, that Shipper must provide sufficient documentation to assure Transporter of that Shipper's ability to pay for the service in excess of the established credit limit within one (1) Day after notification that Shipper's bid will be acceptable contingent upon Shipper's demonstration of its ability to pay to Transporter's satisfaction.

For releases of one (1) year or more, if Replacement Shipper fails to so demonstrate, such released service shall be awarded to the bidder who is creditworthy and who submitted the bid with the next highest Economic Value. If no additional bids were submitted by creditworthy bidders, then all bidders shall have one (1) week to demonstrate creditworthiness to Transporter's satisfaction. The service offered for release shall then be awarded to the bidder who is creditworthy and who submitted the bid with the highest

Economic Value. If no creditworthy bids are submitted, the capacity release process shall terminate, but the Releasing Shipper may elect to request a release of the subject capacity at a later time.

- (g) Releasing Shipper is responsible for payment of reservation charges for the release of transportation capacity. Transporter shall not be liable to Releasing Shipper for the revenue credits provided for in Section 19.9 herein in the event any Replacement Shipper fails to pay any applicable reservation charges to Transporter. However, Releasing Shipper shall retain a subrogated right to demand payment from any Replacement Shipper in the event any Replacement Shipper is delinquent on any such payment owed Transporter.
- (h) A Releasing Shipper may withdraw its release in accordance with NAESB Standard 5.3.14 and prior to receipt of a valid bid.
- (i) A Bidder may withdraw its bid in accordance with NAESB Standard 5.3.13, provided, however, that the Bidder may not then resubmit a bid with a lower Economic Value for the same capacity. Bidder may not submit multiple bids on the same release package.
- (j) Transporter will provide service to a Replacement Shipper pursuant to an executed Service Agreement. Transporter's accepted bid for release of firm capacity or the posting specified in Section 19.4 will constitute an exhibit to the Service Agreement between Transporter and the Replacement Shipper. The Release Request along with the accepted bid(s) for release of firm capacity shall also constitute an amendment to the Service Agreement between Releasing Shipper and Transporter, and shall be reflected in an Exhibit D to such Service Agreement.
- (k) Transporter may assess a marketing fee to a Releasing Shipper, if agreed upon by both Transporter and Releasing Shipper, pursuant to a separately negotiated marketing contract, for marketing services to be performed by Transporter.
- (l) All terms of Capacity Release transactions between Transporter, the Releasing Shipper and the Replacement Shipper must be agreed to through the public notification and posting procedures contained herein.

19.6 Capacity Release Timeline. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit worthy before the capacity release bid is tendered, and there are no special terms or conditions of the release.

For biddable releases (1 year or less):

- offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends and award posting if no match required by 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable) nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

For biddable releases (more than 1 year):

- offers should be tendered by 12:00 P.M. four Business Days before award;
- open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends and award posting if no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 10:30 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time).

19.7 Prearranged Releases.

- (a) A Releasing Shipper may release capacity to a Prearranged Bidder for a period of up to thirty one (31) Days in the same calendar month without having to comply with the notification and bidding requirements of this Section 19. A Releasing Shipper may not re-release capacity covered by this Section 19.7 to the same Prearranged Bidder until twenty eight (28) Days after the first release period has ended. In addition, the commencement date of the term of any release under this Section 19.7 is at least twenty eight (28) Days after the termination date of any previous release under this Section 19.7 by Releasing Shipper to the same Replacement Shipper.
- (b) A prearranged release to a Prearranged Bidder that is a qualified asset manager as defined in 18 C.F.R. Section 284.8(h)(3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h)(4), is exempt from the bidding requirements of this Section 19. If the prearranged release is to a Prearranged Bidder that is a qualified asset manager or a marketer participating in a state-regulated retail access program exempt from the bidding requirements of 18 C.F.R. Section 284.8(h)(1), notice of the release will be provided on the pipeline's Internet web site as soon as possible, but not later than the first nomination, after the release transaction commences.

19.8 Permanent Releases of Capacity.

- (a) Bidding Procedures and Exit Fee.
 - (i) To the extent that any Releasing Shipper desires to release all or any part of its firm contract rights on a permanent basis, the bidding procedures specified in Section 19 will apply. The procedures for establishment of credit must be complied with before Transporter effectuates any permanent releases of capacity under this Section 19.8.
 - (ii) Any permanent releases under this Section 19.8(a) shall require Releasing Shipper to pay an exit fee, but only to the extent necessary to fully compensate Transporter if the accepted bid price and/or contract term of the replacement Service Agreement(s) would require Transporter to forego future revenues.
 - (iii) The exit fee described in Section 19.8(a)(ii) above shall be the net present value of all reservation charges payable to Transporter by the Releasing Shipper over the remaining life of the applicable Service Agreement, reduced by the net present value of such charges payable to Transporter by all applicable Replacement Shippers.
- (b) Procedures.
 - (i) Replacement Shipper(s) and Transporter shall execute a new Service Agreement(s) prior to the commencement of service which confirms the terms of the accepted transaction for the permanent release of capacity.

- (ii) Effective with implementation of service under the new executed Service Agreements, Releasing Shipper's Service Agreement shall be deemed terminated and Releasing Shipper shall have no further obligations to Transporter with respect to the released capacity, except as to unsatisfied obligations which arose prior to the execution of the new Service Agreement(s).

19.9 Revenue Credits for Released Capacity.

- (a) Eligibility. Transporter shall provide revenue credits to any Shipper, which temporarily releases, under the Capacity Release Provisions of this Tariff, all or any portion of its contract demand under a Service Agreement governed by the provisions of Rate Schedule FT included in Transporter's Tariff.
- (b) Monthly Crediting Procedure. Releasing Shipper shall be billed each Month for the reservation charge(s) associated with the released capacity pursuant to its Service Agreement, with a concurrent conditional credit for the payment of the reservation charge(s) due from the Replacement Shipper; provided, however, if the reservation charge(s) due from the Replacement Shipper exceed the reservation charge associated with the capacity released by the Releasing Shipper, then Transporter will include a concurrent conditional credit of an amount equal to the reservation charges associated with the capacity released by the Releasing Shipper plus one half of the reservation charge(s) due from the Replacement Shipper that are in excess of the reservation charge associated with the capacity released by the Releasing Shipper. This bill shall include an itemization of credits and adjustments associated with each Capacity Release Service Agreement. Releasing Shipper shall also be billed a marketing fee pursuant to Section 19.10, if applicable.
- (c) Failure to pay. If a Replacement Shipper does not make payment to Transporter of the reservation charge(s) due as set forth in Section 5, Transporter shall notify the Releasing Shipper within ten (10) Business Days of the amount due, including all late charges authorized in Section 5, and such amount shall be paid by Releasing Shipper. In addition, Releasing Shipper may terminate the release of capacity to a Replacement Shipper if such Replacement Shipper fails to pay all of the amount of any bill for service under the executed capacity release Service Agreement upon at least one (1) week of notice to Transporter and such Replacement Shipper. Once terminated, capacity rights and the responsibility to pay all charges specified in the original service agreement applicable to the capacity that was released shall revert back to the Releasing Shipper.

Transporter shall apply partial payments received from Replacement Shippers, in interpreting the provisions of this section 19.9, first to reservation charges, then to usage charges, then to penalty charges and finally to late charges.

- 19.10 Marketing Fee. Transporter will be entitled to receive a marketing fee from Releasing Shipper in the event Transporter and Releasing Shipper agree that Transporter will actively market Releasing Shipper's transportation rights under this Section 19.

20. AVAILABLE CAPACITY

- 20.1 **Applicability.** When used in this Section 20, capacity available under Rate Schedule FT means firm capacity at a Receipt Point and at a Delivery Point and the capacity on Transporter's System between those points. Transporter shall make available on a nondiscriminatory basis all firm capacity that is or will be unsubscribed, including capacity that will become available upon the expiration or termination of a Service Agreement.
- 20.2 **Negotiation Procedures.** Subject to Section 20.4 below, Transporter will post on its Designated Site firm capacity made available pursuant to Section 20.1 above. The posting of capacity will constitute a solicitation for offers by potential Shippers that seek to subscribe to such capacity. All offers for available capacity under this Section 20.2 must be made to Transporter in writing via facsimile transmission, Internet email or other mutually agreeable means of electronic communication. All potential Shippers must comply with Section 11 of the General Terms and Conditions of this Tariff. Transporter reserves the right to reject any offer that is operationally infeasible, yields rates and terms that are unacceptable to Transporter, does not meet the creditworthiness requirements of Section 11 above, or contains terms and conditions that are inconsistent with Transporter's FERC Gas Tariff. Transporter retains the right to require a minimum rate, which shall be market-based, for all offers under this Section 20. If Transporter's posting of available capacity contains a deadline for offers, Transporter shall negotiate with any potential Shipper that submits an offer by such deadline, provided that Transporter will not be precluded from negotiating with potential Shipper(s) that submit offers after such deadline.
- 20.3 **Awarding of Capacity.** Transporter shall allocate capacity to the potential Shipper(s) offering to pay rates for service that Transporter finds acceptable. Transporter may notify the potential Shipper of Transporter's acceptance of the potential Shipper's bid such that Transporter's acceptance shall create a binding agreement between Transporter and the potential Shipper. Each potential Shipper shall execute a new Service Agreement prior the commencement of service that reflects the mutually agreed upon rates. Transporter will evaluate all bids in a manner that is not unduly discriminatory.
- 20.4 **Right of First Refusal.** Transporter shall make available on a nondiscriminatory basis firm capacity that will become available upon the expiration or termination of a Service Agreement that is subject to a right of first refusal in accordance with the procedures set forth in this section 20.4, unless otherwise mutually agreed upon between Transporter and the applicable existing Shipper.
- (a) **Offer Procedures.** Transporter shall post the availability of firm capacity subject to this Section 20.4. on its Designated Site at least three (3) months prior to the expiration or termination of the applicable Service Agreement. Transporter's posting will identify the availability date for the capacity, the existence of the right of first refusal, and the date by which any final offer of a potential Shipper must be submitted to Transporter in order to afford the existing Shipper the opportunity to exercise its right of first refusal. Transporter will accept offers and negotiate with potential Shippers in accordance with Sections 20.2 and 20.3 above, subject to the existing Shipper's exercise of its right of first refusal.
- (b) **Matching.** If by the close of the negotiation period, Transporter determines that one or more offers are acceptable based on rates, contract duration, need for new facilities, any requested right of first refusal, and other relevant factors, Transporter shall choose the best offer and communicate the rates and terms of such best offer to the existing Shipper. The existing Shipper shall have five (5) Business Days to notify Transporter that it will match the rates and terms of such best offer.
- (c) **Awarding of Capacity.** An existing Shipper that exercises its right of first refusal to match the best offer shall execute a new Service Agreement prior to the commencement of service that reflects the rates and terms agreed upon in accordance with this Section 20.4. If the existing Shipper does not exercise its right of first refusal, the applicable Service Agreement will expire or terminate in accordance with its terms, and Transporter will be deemed to have all necessary abandonment authority under the Natural Gas Act with respect to such service. In that event, Transporter may award the capacity to the potential Shipper offering the best offer in accordance with the procedures set forth in Section 20.3 above.
- (d) **Continuation of Service.** If during the offering process Transporter receives no offers or rejects all offers, Transporter shall negotiate an extension of service with the existing Shipper on mutually agreeable terms. If no agreement is reached, Transporter will continue to provide service on a month-to-month basis at the rates and terms contained in the existing Service Agreement; provided however, the existing Shipper shall have no right of first refusal with respect to such continued service. The capacity shall be subject to the negotiation procedures set forth in Section 20.2 above. Transporter may award the

capacity to potential Shipper(s) offering rates and terms better than those under the continued service and acceptable to Transporter, in accordance with the procedures set forth in Section 20.3 above. Continued service to the existing Shipper shall terminate upon five (5) Business Day's notice, and Transporter will be deemed to have all necessary abandonment authority under the Natural Gas Act with respect to such service.

21. INTERCONNECTION FACILITIES

- 21.1 Facilities. For purposes of this Section 21, Facilities are incremental pipelines and appurtenant facilities which are necessary for the receipt of Gas from, or the delivery of Gas to, one or more Shippers including, but are not limited to, receipt and delivery laterals. Facilities do not include any facilities which increase the capacity of Transporter's System such as mainline facilities, additional compression or looping.
- 21.2 Installation. Transporter is not obligated or required to construct, modify, or rearrange any facilities in order to perform any service, including any facilities necessary to receive Gas from or deliver Gas to any Shipper. In the event Transporter agrees to construct, modify, or rearrange facilities for delivery of a Shipper's Gas, Transporter will have the right to condition its agreement to so construct, modify or rearrange its facilities by requiring that Shipper pay Transporter for the costs associated with the installation, construction, modification, operation, maintenance and/or rearrangement of such facilities. All Facility installation requests will be handled by Transporter in a manner which is not unduly discriminatory.
- 21.3 Facilities Reimbursement Agreement. Transporter and Shipper shall negotiate a Facilities Reimbursement Agreement in the form of an Exhibit C to the Service Agreement.

22. TRANSPORTATION REQUESTS

- 22.1 Transportation Request Procedures. The procedures in this Section 22 contain the requirements for requesting new transportation service and amendments and additions to existing service. However, the procedures contained herein are modified for Capacity Release service, as explained in Section 19 of the General Terms and Conditions of this Tariff.
- 22.2 Information to be Supplied by Shipper. All requests for service shall be made to Transporter in writing by facsimile transmission, Internet email or other mutually agreeable means of electronic communication. At the time of request for transportation, Shipper or any agent of Shipper entering into a Service Agreement shall warrant that Shipper has title, or the right to acquire title, to the Gas that is to be transported. Shipper may either complete a Transportation Request or provide to Transporter in writing, the same information required on a Transportation Request. The form of such Transportation Request is set forth in Section 23 of the General Terms and Conditions of this Tariff. Each request shall be considered effective on the date the information required on the Transportation Request is received by Transporter.
- 22.3 Public Access to Transportation Information.
- (a) Transporter has limited capacity on its System available for firm transportation. Available firm capacity will be allocated pursuant to the procedures set forth in Section 20 of the General Terms and Conditions of this Tariff. Any Shipper may solicit capacity as a Potential Replacement Shipper as set forth in Section 19 of the General Terms and Conditions of this Tariff. Available firm capacity will be posted on Transporter's Designated Site.
 - (b) Requests for interruptible transportation may exceed the available capacity on Transporter's System. Therefore, interruptible capacity will be allocated pursuant to the priority of service procedures set forth in Section 17 of the General Terms and Conditions of this Tariff. Available interruptible capacity will be posted on Transporter's Designated Site.
 - (c) Transporter shall maintain a capacity allocation log pursuant to Section 250.16(c) of FERC's regulations.

23. FORM OF TRANSPORTATION REQUEST

RENDEZVOUS PIPELINE COMPANY, LLC ("Transporter")
Transportation Request

Shipper Information

1. Shipper Name: _____
(Legal Name of Party who will be signing Agreement)

(a) Requester: _____
(if other than Shipper)

2. Shipper is (Check One)

<input type="checkbox"/> End User	<input type="checkbox"/> Hinshaw Pipeline
<input type="checkbox"/> LDC	<input type="checkbox"/> Producer
<input type="checkbox"/> Interstate Pipeline	<input type="checkbox"/> Marketer
<input type="checkbox"/> Intrastate Pipeline	<input type="checkbox"/> Other: _____ (please specify)

3. Shipper's Contact Person: _____
Phone Number (____) _____
Telecopy Number (____) _____

4. Address: Notices to: _____
P.O. Box & Zip: _____
Street & Zip: _____
City, State: _____
Attention: _____
Email Address: _____

Invoices to: _____
P.O. Box & Zip: _____
Street & Zip: _____
City, State: _____
Attention: _____

Service Information

5. Type of Service
(Check One): FT Firm
 IT Interruptible

6. This request is for (Check One): New Service
 Amendment of Existing Service

If Amendment of Existing Service is checked, complete the following:

Agreement No. _____
Agreement Date _____
Increase Contract Demand from _____ Dth/day to _____ Dth/day
Decrease Contract Demand from _____ Dth/day to _____ Dth/day
Other (Specify) _____

7. Requested Term of Service: Commencement Date (____/____/____)

Termination Date (____/____/____)

Evergreen Provision Requested: _____ Yes
No

8. Requested Maximum Service Quantities:

For FT Firm Transportation Service:

Contract Demand _____ Dth/day

For IT Transportation Service:

Maximum Daily Quantity _____ Dth/day
Estimated Maximum Annual Quantity _____ Dth

9. Receipt and Delivery Points

Complete Exhibit "A" for Rate Schedules FT or IT service to specify the Receipt Point(s) requested.
Complete Exhibit "B" for Rate Schedules FT or IT service to specify the Delivery Point(s) requested.

10. Warranty of Title to Gas

By signing and submitting this transportation request form, Shipper hereby warrants that Shipper has title, or will at the time of delivery to Transporter have title, or the right to acquire title, to the Gas that is to be transported.

11. Establishment of Credit

Shipper must establish a credit limit satisfactory to Transporter pursuant to Section 11.1 of the General Terms and Conditions of Transporter's Tariff. Therefore, prior to execution of the agreement, Shipper may be required to furnish a completed Credit Application and such other information or advance deposits as Transporter may require.

12. New Facilities

Does any requested receipt or delivery point require the installation or modification of any facilities (e.g. tap, measurement, or other) in order for it to be utilized?

_____ Yes _____ No

If "Yes" is checked, a separate facilities agreement may be required.

Please return this request to:

Mr. Rod Penner
RENDEZVOUS PIPELINE COMPANY, LLC
1050 17th Street, Suite 500
Denver, CO 80265
Fax No. (303) 308-3610
Email: rendezvous.pipeline@qepres.com

EXHIBIT A

to the
Transportation Request of

_____ (Shipper)

to

Rendezvous Pipeline Company, LLC (Transporter)

Dated _____

Receipt Point(s)

Receipt Point Name

Quantity
(Dth)

EXHIBIT B

to the
Transportation Request of

_____ (Shipper)

to

Rendezvous Pipeline Company, LLC (Transporter)

Dated _____

Delivery Point(s)

Delivery Point Name

Quantity
(Dth)

24. ELECTRONIC COMMUNICATIONS

- 24.1 Access to Internet website. Information about Transporter's System and its capacity shall be provided on Transporter's Designated Site, accessible via the Internet's World Wide Web, at www.rendezvouspipeline.com.
- 24.2 System and Service Information. Information on the availability, pricing, or other terms of the transportation services will be made available on Transporter's Designated Site.
- 24.3 Transporter shall make available on its Designated Site information required to be made available pursuant to FERC's Order No. 2004, as set forth in Part 358 of FERC's regulations.

25. DISPOSITION OF EXCESS GAS

Transporter may make incidental sales of Gas from time to time to provide fuel and use quantities to Shippers. Further, in order to alleviate conditions that threaten the integrity of its System, Transporter may periodically acquire quantities of Gas that are in excess of system needs. Transporter shall have the right to make interruptible sales of such excess Gas from time to time at system receipt points pursuant to the terms of the blanket certificate of public convenience and necessity granted to Transporter pursuant to 18 C.F.R. Section 284.284. Such sales shall be made under rates, terms and conditions mutually agreed upon between Transporter and purchasers, provided, however, that all such sales shall be fully interruptible and shall be curtailable pro rata without regard to underlying transportation arrangements made by purchasers.

26. COMPLAINT PROCEDURES

26.1 Shippers are first encouraged to work with Transporter to resolve problems on an informal basis, prior to filing a formal complaint.

26.2 In the event of an unresolved problem, Shipper should submit a complaint in writing to Transporter at the following address:

Mr. Perry H. Richards
RENDEZVOUS PIPELINE COMPANY, LLC
1050 17th Street, Suite 500
Denver, CO 80265
Email: rendezvous.pipeline@qepres.com

26.3 Transporter will respond initially within 48 hours and in writing within 30 Days to such complaints.

26.4 A Shipper may also file a complaint with FERC pursuant to 18 C.F.R. Section 385.206 of FERC's regulations.

27. ACA SURCHARGE

- 27.1 Purpose. Annual charges are assessed against natural gas pipelines by FERC under Part 382 of FERC's regulations prior to each fiscal year in order to recover FERC's operating costs. For the purpose of recovering annual charges assessed Transporter by FERC, this Section 27 establishes, pursuant to 18 C.F.R. Section 154.402, an ACA Surcharge to be applicable to the quantities transported under Transporter's Rate Schedule FT and Rate Schedule IT. This ACA Surcharge is in addition to any amounts otherwise payable to Transporter under said Rate Schedules.
- 27.2 Basis. The ACA Surcharge shall be that increment approved by FERC in an order on Transporter's annual charge filing. The currently effective ACA Surcharge Rate shall be reflected in Transporter's Statement of Transportation Rates in the Statement of Transportation Rates section of this FERC Gas Tariff.
- 27.3 Filing Procedure. The initial ACA Surcharge Rate or any subsequent changes in such surcharge shall be filed by Transporter at least thirty (30) Days prior to the proposed effective date unless for good cause shown a lesser notice period is allowed by valid FERC orders or the establishment by FERC of the annual charge unit rate for a particular fiscal year prohibits Transporter from making a timely filing, whereupon FERC's notice requirement under Section 154.207 of FERC's regulations shall be deemed waived for purposes of this Section 27. The proposed effective date of filings pursuant to this Section 27.3 shall be the effective date prescribed by FERC. Such filing shall become effective without suspension or refund obligation.

28. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS

Rendezvous Pipeline Company, LLC has adopted the applicable Business Practices and Standards which are required by the Commission in 18 CFR, Section 284.12 (a), as amended from time to time, in accordance with Order No. 587, et al. In addition to the NAESB WGQ Standards referenced elsewhere in the Tariff, Transporter specifically incorporates by reference the following NAESB WGQ Version 1.9 Standards, Definitions, and Data Sets, by reference:

Additional Standards:

General:

Principles:
0.1.1, 0.1.3

Standards:
0.3.16, 0.3.17

Creditworthiness:

Standards:
0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:
0.2.1, 0.2.2, 0.2.3

Standards:
0.3.11, 0.3.12, 0.3.13, 0.3.15

Nominations Related Standards:

Principles:
1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.9, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.17, 1.1.18, 1.1.20, 1.1.21, 1.1.22

Definitions:
1.2.3, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:
1.3.1, 1.3.2(vi), 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.26, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.46, 1.3.51, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.80

Flowing Gas Related Standards:

Principles:
2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5

Definitions:
2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15,
2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30,
2.3.31, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59,
2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64

Invoicing Related Standards:

Principles:

3.1.1, 3.1.2

Standards:

3.3.2, 3.3.3, 3.3.4, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16,
3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.25, 3.3.26

Quadrant Electronic Delivery Mechanism Related Standards:

Standards:

4.3.89

Capacity Release Standards:

Principles:

5.1.2, 5.1.3

Definitions:

5.2.1, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.17, 5.3.18, 5.3.19,
5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.27, 5.3.28, 5.3.29, 5.3.44, 5.3.45, 5.3.46,
5.3.47, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60,
5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69

FORMS OF SERVICE AGREEMENTS

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FT)

THIS AGREEMENT is made and entered into this _____ day of _____, _____, by and between RENDEZVOUS PIPELINE COMPANY, LLC, hereinafter referred to as "Transporter", and _____, hereinafter referred to as "Shipper".

RECITALS:

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties agree as follows:

ARTICLE I - GAS RECEIPTS AND DELIVERIES

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive from Shipper at the Receipt Point(s) specified in Exhibit A or Exhibit D, as applicable, transport and deliver to Shipper at the Delivery Point(s) specified in Exhibit B or Exhibit D, as applicable, the following quantities of Natural Gas, known as Transportation Contract Demand:

(The following paragraph applies to Original FT Agreements only):

Up to _____ Dth/day, as modified by any Exhibit D hereto, provided that Transporter's receipt of Gas at any Receipt Point for Shipper's account hereunder on any day shall not exceed the Maximum Daily Receipt Obligation (MDRO) set forth for such Receipt Point on Exhibit A hereto, as modified by any Exhibit D, and provided that Transporter's daily obligation to deliver Gas to Shipper at any Delivery Point under this Transportation Agreement shall not exceed the Maximum Daily Delivery Obligation (MDDO) set forth in Exhibit B hereto, as modified by any Exhibit D. These MDRO and MDDO limitations apply only to primary point volumes and not to secondary point volumes.

(The following paragraph applies to Replacement FT Agreements pursuant to capacity release only):

Up to the Maximum Daily Receipt Obligation (MDRO) set forth for such Receipt Points and up to the Maximum Daily Delivery Obligation (MDDO) set forth for such Delivery Point(s) on any effective Exhibit D hereto, which reflects capacity acquired by Shipper; provided, however, that such obligation is reduced by the quantities on any effective Exhibit D hereto which reflects any subsequent release of such capacity by Shipper. These MDRO and MDDO limitations apply only to primary point volumes and not to alternate point volumes.

Transporter is not obligated to accept quantities in excess of Shipper's Transportation Contract Demand ("Overrun Gas"), if: (a) doing so would not be operationally feasible; (b) it would cause curtailment of any firm service to any other Shipper under any Rate Schedule; (c) such shipments would cause Shipper to exceed its credit limits; or (d) for any other reason permitted under this Tariff.

- 1.2 FLUF Gas shall be provided in kind as specified in Section 14 of the General Terms and Conditions of this Tariff.

- 1.3 Such transportation shall be on a firm basis.

ARTICLE II - TRANSPORTATION RATES AND CHARGES

- 2.1 (a) (for use only in an Original FT Agreement) Shipper agrees to pay Transporter for all natural gas transportation service as set forth herein.
- (b) (for use only in a Replacement FT Agreement pursuant to capacity release) Shipper agrees to pay Transporter for all natural gas transportation service rendered under the terms of this Service Agreement in accordance with the terms and conditions of its successful bid for the capacity as described on any effective Exhibit D of this Agreement.
- (c) (for use only in the event a facilities reimbursement charge is applicable) Shipper agrees to pay Transporter a Facilities Reimbursement Charge as set forth herein.
- (d) (for use only in the event an agency fee is applicable) Shipper agrees to pay Transporter to act as Agent on behalf of Shipper as set forth herein.
- (e) (for use only in the event a marketing fee is applicable) Shipper agrees to pay Transporter to actively market Shipper's transportation rights as set forth herein.

(f) Shipper agrees to pay Transporter for any other charges imposed by government entities that may apply to service under this Rate Schedule FT.

2.2 This Agreement shall be subject to the provisions of such Rate Schedule and the General Terms and Conditions applicable thereto (and as they may be amended by Article VIII of this Agreement) and effective from time to time, which by this reference are incorporated herein and made a part hereof.

ARTICLE III - GOVERNMENTAL REQUIREMENTS

3.1 Unless otherwise mutually agreed to by the parties, the rates for service under this Service Agreement shall remain in effect for the term of this Service Agreement and shall not be subject to change by either party, absent the mutual agreement of the parties, or by FERC pursuant to the provisions of Sections 4 or 5 of the Natural Gas Act except upon a showing that such change is in the public interest.

3.2 Shipper shall reimburse Transporter for any and all filing fees to be incurred by Transporter in seeking governmental authorization for the initiation, extension or termination of service under this Agreement.

3.3 Any new facilities or regulatory authorizations needed to implement this agreement shall be described in Exhibit C.

3.4 Upon termination, this Agreement shall cease to have any force or effect, save as to any unsatisfied obligations or liabilities of either party arising hereunder prior to the date of such termination, or arising thereafter as a result of such termination. Provided, however that this provision shall not supersede any abandonment authorization which may be required.

ARTICLE IV - TERM

4.1 This Agreement becomes effective _____ and shall remain in full force and effect until _____. (This provision shall include the primary term, evergreen provision if applicable and any termination notice requirements.)

ARTICLE V - WARRANTY OF TITLE AND ELIGIBILITY FOR TRANSPORTATION

5.1 Any shipper under this Rate Schedule warrants for itself, its successors and assigns, that all Gas delivered to Transporter for transportation hereunder shall be eligible for transportation in interstate commerce under applicable rules, regulations or orders of FERC. Shipper will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings, arising from breach of this warranty.

ARTICLE VI - AGENCY

6.1 Shipper may designate, by written notice to Transporter, a responsible entity to implement Shipper's obligations under this Agreement (other than to make payments) as Agent for Shipper. Such designation will not relieve Shipper of any obligations under its transportation agreement(s) or this tariff. Designation of an Agent will authorize Transporter to communicate with Agent in connection with all matters for implementation of Shipper's obligations, unless otherwise agreed by Shipper and Transporter. Designation of an Agent shall set forth (a) the full name, address, email address, phone numbers, and all other contact information of the entity acting as Agent, (b) similar identifying and contact information for a specific individual employed by such entity with whom Transporter shall be entitled to deal; (c) the Business Day on which the agency begins and, if known the Business Day on which such agency shall end; (d) any limitations on the agency. Transporter requires at least three (3) Business Days prior written notice of the commencement or termination of an agency designation. A notice of commencement or termination of an agency designation shall be in writing signed by Shipper. Unless otherwise specified by Shipper, Shipper's Agent shall also be its Nominating Party. If Shipper desires to designate a separate Nominating Party, it shall notify Transporter in writing of such designation in the same manner as appointing an Agent as described above. Shipper's notice of a termination of a Nominating Party designation shall also be given in the same manner as a designation of another Agent. A Nominating Party shall be treated as Shipper's Agent for nominations, scheduling and communications with respect thereto. As between Shipper and Transporter, Shipper shall hold Transporter harmless and reimburse Transporter for any liabilities, costs or damages incurred by Transporter as a result of its communicating with or relying on communications from Shipper's Agent, including its Nominating Party.

ARTICLE VII - NOTICES AND COMMUNICATIONS

7.1 Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, or by mail or telegraph with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Operational communications must be made by facsimile transmission, Internet email or other mutually agreeable means of electronic communication. Unless changed, the addresses of the parties are as follows:

RENDEZVOUS PIPELINE COMPANY, LLC
1050 17th Street, Suite 500
Denver, CO 80265
Fax No. (303) 308-3610
Email: rendezvous.pipeline@qepres.com

Statements:
Contractual Notices:
Other Notices:

Attention: Administration Department
Attention: Contract Administration
Attention: Business Development

Payments:

RENDEZVOUS PIPELINE COMPANY, LLC
P.O. Box 45601
Salt Lake City, UT 84145-0601

ARTICLE VIII - OTHER OPERATING PROVISIONS

(This Article to be utilized when necessary to specify other operating provisions required for individual transportation)

ARTICLE IX - ADJUSTMENTS TO GENERAL TERMS AND CONDITIONS
(to be utilized when necessary for individual transportation)

9.1 Certain of the General Terms and Conditions are to be adjusted for the purpose of this Agreement, as specified below:

ARTICLE X - CANCELLATION OF PRIOR AGREEMENT(S)
(to be utilized when necessary)

10.1 When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s):

ARTICLE XI - SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. As between the parties hereto, such assignment shall become effective on the first day of the Month following written notice that such assignment has been effectuated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above set forth.

(Shipper)

RENDEZVOUS PIPELINE COMPANY, LLC
(Transporter)

By _____
(Title)

By _____
(Title)

Attest: _____

Attest: _____

EXHIBIT A
to the
FIRM TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

RECEIPT POINTS

Primary Receipt Point

Maximum Daily Receipt Obligation (MDRO)

EXHIBIT B
to the
FIRM TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

DELIVERY POINTS

Primary Delivery Point

Maximum Daily Delivery Obligation (MDDO)*

* The total of the MDDOs must equal total Transportation Contract Demand as set forth in Section 1.1

EXHIBIT C
to the
FIRM TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

FACILITIES REIMBURSEMENT AGREEMENT
(Pursuant to Section 21 of the General Terms and Conditions)

1. DESCRIPTION OF NEW FACILITIES:

The new facilities contemplated by Section 1(b) of Rate Schedule FT, which are necessary to provide service under this agreement include the following:

(description of project)

2. RESPONSIBILITY FOR NEW FACILITIES COSTS:

The total estimated reimbursable cost of facilities is \$_____. Pursuant to Section 21 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper is responsible to pay for the costs associated with the installation, construction, modification, operation, maintenance and/or rearrangement of the facilities described above.

3. FACILITIES REIMBURSEMENT CHARGE:

(Contract terms as agreed to by the parties.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above set forth.

(Shipper)
By _____
(Title)

RENDEZVOUS PIPELINE COMPANY, LLC
(Transporter)
By _____
(Title)

Attest: _____

Attest: _____

EXHIBIT D
to the
FIRM TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

RELEASING SHIPPER
(APPLICABLE TO RATE SCHEDULE FT)

Releasing Shipper

Begin:

End:

Contract Demand:

Receipt
Point

Delivery
Point

MDDO
(Dth)

Award
Bid
Rate

SPECIAL TERMS AND CONDITIONS:

RECALL CONDITIONS:

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE IT)

THIS AGREEMENT is made and entered into this _____ day of _____, _____, by and between RENDEZVOUS PIPELINE COMPANY, LLC, hereinafter referred to as "Transporter", and _____, hereinafter referred to as "Shipper".

RECITALS:

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties agree as follows:

ARTICLE I - GAS RECEIPTS AND DELIVERIES

1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive Natural Gas from Shipper at the Receipt Point(s) specified in Exhibit A herein, and transport and deliver such Gas to Shipper or for the account of Shipper at the Delivery Point(s) specified in Exhibit B herein; provided however, Transporter shall not be obligated to accept quantities of Gas for transportation if: (a) doing so would not be operationally feasible; (b) it would cause curtailment of any firm service to any other Shipper under any Rate Schedule; (c) such shipments would cause Shipper to exceed its credit limits; or (d) for any other reason permitted under this Tariff.

1.2 FLUF Gas shall be provided in kind as specified in Section 14 of the General Terms and Conditions of this Tariff.

1.3 Such transportation shall be on an interruptible basis.

ARTICLE II - TRANSPORTATION RATES AND CHARGES

2.1 (a) Shipper agrees to pay Transporter for all natural gas transportation service rendered under the terms of this Agreement as set forth herein.

(b) (for use only in the event an agency is applicable) Shipper agrees to pay Transporter to act as Agent on behalf of Shipper as set forth herein.

(c) Shipper agrees to pay Transporter for any other charges imposed by government entities that may apply to service under this Rate Schedule IT.

2.2 This Agreement shall be subject to the provisions of such Rate Schedule and the General Terms and Conditions applicable thereto (and as they may be amended by Article VIII of this Agreement) and effective from time to time, which by this reference are incorporated herein and made a part hereof.

ARTICLE III - GOVERNMENTAL REQUIREMENTS

3.1 Unless otherwise mutually agreed to by the parties, the rates for service under this Service Agreement shall remain in effect for the term of this Service Agreement and shall not be subject to change by either party, absent the mutual agreement of the parties, or by FERC pursuant to the provisions of Sections 4 or 5 of the Natural Gas Act except upon a showing that such change is in the public interest.

3.2 Shipper shall reimburse Transporter for any and all filing fees incurred by Transporter in seeking governmental authorization for the initiation, extension or termination of service under this Service Agreement.

3.3 Upon termination, this Service Agreement shall cease to have any force or effect, save as to any unsatisfied obligations or liabilities of either party arising hereunder prior to the date of such termination, or arising hereafter as a result of such termination. Provided, however this provision shall not supersede any abandonment authorization which may be required.

ARTICLE IV - TERM

4.1 This Agreement becomes effective _____ and shall remain in full force and effect _____.

(This provision shall include the primary term, evergreen provision if applicable and any termination notice requirements.)

ARTICLE V - WARRANTY OF ELIGIBILITY FOR TRANSPORTATION

5.1 Any Shipper under this Rate Schedule warrants for itself, its successors and assigns, that all Gas delivered to Transporter for transportation hereunder shall be eligible for the requested transportation in interstate commerce under applicable rules, regulations or orders of FERC. Shipper will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings, arising from breach of this warranty.

ARTICLE VI - AGENCY

6.1 Shipper may designate, by written notice to Transporter, a responsible entity to implement Shipper's obligations under this Agreement (other than to make payments) as Agent for Shipper. Such designation will not relieve Shipper of any obligations under its transportation agreement(s) or this tariff. Designation of an Agent will authorize Transporter to communicate with Agent in connection with all matters for implementation of Shipper's obligations, unless otherwise agreed by Shipper and Transporter. Designation of an Agent shall set forth (a) the full name, address, email address, phone numbers, and all other contact information of the entity acting as Agent, (b) similar identifying and contact information for a specific individual employed by such entity with whom Transporter shall be entitled to deal; (c) the Business Day on which the agency begins and, if known the Business Day on which such agency shall end; (d) any limitations on the agency. Transporter requires at least three (3) Business Days prior written notice of the commencement or termination of an agency designation. A notice of commencement or termination of an agency designation shall be in writing signed by Shipper. Unless otherwise specified by Shipper, Shipper's Agent shall also be its Nominating Party. If Shipper desires to designate a separate Nominating Party, it shall notify Transporter in writing of such designation in the same manner as appointing an Agent as described above. Shipper's notice of a termination of a Nominating Party designation shall also be given in the same manner as a designation of another Agent. A Nominating Party shall be treated as Shipper's Agent for nominations, scheduling and communications with respect thereto. As between Shipper and Transporter, Shipper shall hold Transporter harmless and reimburse Transporter for any liabilities, costs or damages incurred by Transporter as a result of its communicating with or relying on communications from Shipper's Agent, including its Nominating Party.

ARTICLE VII - NOTICES AND COMMUNICATIONS

7.1 Unless herein provided to the contrary, any notice called for in this Service Agreement shall be in writing and shall be considered as having been given if delivered personally, or by mail or telegraph with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Operational communications must be made by facsimile transmission, Internet email or other mutually agreeable means of electronic communication. Unless changed, the addresses of the parties are as follows:

RENDEZVOUS PIPELINE COMPANY, LLC
1050 17th Street, Suite 500
Denver, CO 80265
Fax No. (303) 308-3610
Email: rendezvous.pipeline@qepres.com

Statements:
Contractual Notices:
Other Notices:

Attention: Administration Department
Attention: Contract Administration
Attention: Business Development

Payments:

RENDEZVOUS PIPELINE COMPANY, LLC
P.O. Box 45601
Salt Lake City, UT 84145-0601

ARTICLE VIII - OTHER OPERATING PROVISIONS

(This Article to be utilized when necessary to specify other operating provisions required for individual transportations)

ARTICLE IX - ADJUSTMENTS TO GENERAL TERMS AND CONDITIONS (to be utilized when necessary for individual transportations)

9.1 Certain of the General Terms and Conditions are to be adjusted for the purpose of this Agreement, as specified below:

ARTICLE X - CANCELLATION OF PRIOR AGREEMENT(S)
(to be utilized when necessary)

10.1 When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s):

ARTICLE XI - SUCCESSORS AND ASSIGNS

11.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. As between the parties hereto, such assignment shall become effective on the first day of the Month following written notice that such assignment has been effectuated.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above set forth.

(Shipper)
By _____
(Title)

RENDEZVOUS PIPELINE COMPANY, LLC
(Transporter)
By _____
(Title)

Attest: _____

Attest: _____

EXHIBIT A
to the
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

RECEIPT POINTS

Receipt Points:

All Receipt Points

EXHIBIT B
to the
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
DATED _____
between
RENDEZVOUS PIPELINE COMPANY, LLC
and

DELIVERY POINTS

Delivery Points:

All Delivery Points

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