

**RATE SCHEDULES
FOR STORAGE SERVICE**

SECTION 5.0

**FSS RATE SCHEDULE
FIRM STORAGE SERVICE**

1. AVAILABILITY

- 1.1 This Rate Schedule FSS is available to any Customer for the purchase of Firm Storage Service from Caledonia, provided that:
- (a) Caledonia has determined that it has available and uncommitted Firm Storage Service capacity and injection and withdrawal capacity to perform the Service Customer has requested;
 - (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule FSS will not interfere with efficient operation of its System or with Service to Customers taking other Firm Storage Service;
 - (c) Customer and Caledonia have executed a Firm Storage Service Agreement under this Rate Schedule FSS;
 - (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
 - (e) Customer accepts responsibility for arranging any upstream or downstream transportation service required for utilization of the Firm Storage Service provided under this Rate Schedule FSS; and
 - (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule FSS.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Applicability. This Rate Schedule FSS shall apply to all Firm Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to a Customer's FSS Service Agreement.
- 2.2 Service. Firm Storage Service rendered by Caledonia to Customer under this Rate Schedule FSS shall consist of:
- (a) the injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed FSS Service Agreement with Customer, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, provided the Customer's Storage Inventory has not exceeded (or will not exceed as a result of such injection) its MSQ;
 - (b) the storage of Gas in amounts up to Customer's Firm MSQ; and
 - (c) the withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as

stated in the executed FSS Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, provided that Customer has a quantity of Gas in Customer's Firm Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Gas Day.

3. OVERRUN SERVICE

- 3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and/or Caledonia's ability to meet its Firm Storage Service obligations to other Customers, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Firm Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the negotiable market-based charge set forth in Section 4.1(d) of this Rate Schedule FSS.
- 3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and/or Caledonia's ability to meet its Firm Storage Service obligations to other Customers, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Firm Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the negotiable market-based charge set forth in Section 4.1(e) of this Rate Schedule FSS.
- 3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

- 4.1 Rates & Charges. The rates and charges paid by Customer for Firm Storage Service under this Rate Schedule FSS shall include the applicable storage rate components set forth in the FSS Rate Statement and as described below:
- (a) Storage Reservation Charge. A Monthly charge for each Dth of Customer's MSQ.
 - (b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule FSS during a given Month (including fuel, if applicable).
 - (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from Caledonia's Storage Facility

pursuant to Section 2.1(c) of this Rate Schedule FSS during a given Month (including fuel, if applicable).

- (d) **Overrun Injection Charge.** A usage charge for each Dth of Gas injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule FSS during a given Month (including fuel, if applicable).
- (e) **Overrun Withdrawal Charge.** A usage charge for each Dth of Gas withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule FSS during a given Month (including fuel, if applicable).
- (f) **Fuel Reimbursement.** The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's FSS Service Agreement.
- (g) **Regulatory Fees and Charges.** Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule FSS, as set forth in Customer's FSS Service Agreement.
- (h) **Taxes.** Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 **Term.** The term for Service under this Rate Schedule FSS shall be as set forth in the executed FSS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 **Compliance.** The FSS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the storage service contemplated hereby and to construct and operate the facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.
- 6.2 **Changes.** Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the FSS Service Agreement shall be deemed to include any changes

which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its FSS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule FSS, where applicable, and shall supplement the terms and conditions governing Service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule FSS shall control.

**AISS RATE SCHEDULE
ADVANCED INTERRUPTIBLE STORAGE SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule AISS is available to any Customer for the purchase of Advanced Interruptible Storage Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule AISS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an AISS Service Agreement under this Rate Schedule AISS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Service provided under this Rate Schedule; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule AISS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule AISS shall apply to all Advanced Interruptible Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed AISS Service Agreement. Advanced Interruptible Storage Service rendered by Caledonia to Customer under this Rate Schedule AISS shall consist of:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed AISS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Advanced Interruptible Storage Inventory has not exceeded its MSQ;

- (b) The storage of Gas in amounts up to Customer's Interruptible MSQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as stated in the executed Advanced Interruptible Storage Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, provided that all Firm Storage Service nominations for withdrawal have been satisfied, and Customer has a quantity of Gas in Customer's Advanced Interruptible Storage Inventory not less than the quantity the Customer shall have nominated for withdrawal on such Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule AISS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.4 of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule AISS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule AISS is needed by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all, or any portion of, the Storage Inventory held in storage by Caledonia under this Rate Schedule AISS for the account of the Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity under this Rate Schedule AISS. If Customer fails to withdraw or sell in place such Storage Inventory within the time period specified by Caledonia, Caledonia may take, free, and clear of any adverse title, claims or liens, title to such AISS Storage Inventory as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price, less Caledonia's costs related to the Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; provided however, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section will not

relieve Customer of its obligation to pay Caledonia all applicable chargers that accrued before such sale.

2.4 No Capacity Release. Service rights under an AISS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Advanced Interruptible Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule AISS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Advanced Interruptible Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule AISS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. The rates and charges paid by Customer for Advanced Interruptible Storage Service under this Rate Schedule AISS shall include the applicable storage rate components set forth in the AISS Rate Statement and as described below:

(a) Interruptible Storage Charge. A charge for each Dth of Advanced Interruptible Storage Service available to Customer (Customer's MSQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule AISS during a given Month.

- (c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule AISS during a given Month.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule AISS during a given Month.
- (e) Overrun Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule AISS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's AISS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule AISS, as set forth in Customer's AISS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 Term. The term for Service under this Rate Schedule AISS shall be as set forth in the executed AISS Service Agreement. Any Storage Inventory remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 Compliance. The AISS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Firm Storage Service contemplated hereby and to construct and operate the facilities necessary to provide such Service and for any connected pipeline to transport natural Gas

to/from the Storage Facility necessary to effect the Service provided for herein.

- 6.2 Changes. Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the AISS Service Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. INTERRUPTION OR CURTAILMENT

- 7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its AISS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

- 8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule AISS, where applicable, and shall supplement the terms and conditions governing Service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule AISS shall control.

**ISS RATE SCHEDULE
INTERRUPTIBLE STORAGE SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule ISS is available to any Customer for the purchase of Interruptible Storage Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted Interruptible storage capacity and injection and withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule ISS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an ISS Service Agreement under this Rate Schedule ISS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Storage Service provided under this Rate Schedule ISS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule ISS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule ISS shall apply to all Interruptible Storage Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed ISS Service Agreement. Interruptible Storage Service rendered by Caledonia to Customer under this Rate Schedule ISS shall consist of:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the executed ISS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Interruptible Storage Inventory has not exceeded its MSQ;

- (b) The storage of Gas in amounts up to Customer's Interruptible MSQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day of Customer's Gas per Customer's nomination up to Customer's MDWQ as stated in the executed ISS Service Agreement with Customer and the Delivery of such Gas to the Point of Injection/Withdrawal available on Caledonia's System, provided that all Firm Storage Service nominations for withdrawal have been satisfied, and Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantity the Customer shall have nominated for withdrawal on such Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ISS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ISS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule ISS is need by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all, or any portion of, the Storage Inventory held in storage by Caledonia under this Rate Schedule ISS for the account of Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity available under this Rate Schedule ISS. If Customer fails to withdraw or sell in place such Storage Inventory within the time period specified by Caledonia, Caledonia may take, free, and clear of any adverse title, claims, or liens, title to such ISS Storage Inventory as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price, less Caledonia's costs related to the Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; *provided however*, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its

obligation to pay Caledonia all applicable charges that accrued before such sale.

2.4 No Capacity Release. Service rights under an ISS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's Interruptible Storage Inventory has not exceeded Customer's MSQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ISS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Interruptible Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule ISS.

3.3 Priority of Service. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. The rates and charges paid by Customer for Interruptible Storage Service under this Rate Schedule ISS shall include the applicable storage rate components set forth in the ISS Rate Statement and as described below:

(a) Interruptible Storage Charge. A charge for each Dth of ISS available to Customer (Customer's MSQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Storage Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule ISS during a given Month.

(c) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn

from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule ISS during a given Month.

- (d) **Overrun Injection Charge.** A charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule ISS during a given Month.
- (e) **Overrun Withdrawal Charge.** A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule ISS during a given Month.
- (f) **Fuel Reimbursement.** The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's ISS Service Agreement.
- (g) **Regulatory Fees and Charges.** Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule ISS, as set forth in Customer's ISS Service Agreement.
- (h) **Taxes.** Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 **Term.** The term for Service under this Rate Schedule ISS shall be as set forth in the executed ISS Service Agreement. Any Storage Inventory remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 **Compliance.** The ISS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the facilities necessary to provide such Service and for any connected pipeline to transport natural Gas to/from the Storage Facility necessary to effect the Service provided for herein.

6.2 Changes. Caledonia shall have the right to propose to the FERC or other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the ISS Service Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its ISS Service Agreement with Customers, then capacity, withdrawals and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule ISS, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule ISS shall control.

**IPS RATE SCHEDULE
INTERRUPTIBLE PARKING SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule IPS is available to any Customer for the purchase of Interruptible Parking Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity and injection and withdrawal capacity to perform the Interruptible Parking Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule IPS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed a Service Agreement under this Rate Schedule IPS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Parking Service provided under this Rate Schedule IPS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule IPS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule IPS shall apply to all Interruptible Parking Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed IPS Service Agreement. Interruptible Parking Service rendered by Caledonia to Customer under this Rate Schedule IPS shall consist of the Receipt, injection, storage, and withdrawal and Delivery of Customer's Gas, on an Interruptible basis, by Caledonia. Service under this Rate Schedule IPS includes:

- (a) The injection into storage on any Gas Day of Customer's Gas per Customer's nomination, up to Customer's MDIQ as stated in the IPS Service Agreement with Customer, provided that all Firm Storage Service nominations for injection have been satisfied, Customer Delivers the nominated quantity, plus Fuel Reimbursement, at the Point of Injection/Withdrawal available on Caledonia's System, and Customer's Park Balance has not exceeded its MPQ;

- (b) The storage of Gas in amounts up to Customer's MPQ, provided that all Firm Storage Service obligations have been satisfied; and
- (c) The withdrawal from storage on any Gas Day and Delivery of Customer's Gas per Customer's nomination to the Point of Injection/Withdrawal available on Caledonia's System up to Customer's MDWQ as stated in the IPS Service Agreement with Customer, provided that all Firm Storage Service nominations or withdrawals have been satisfied, and that Customer has a quantity of Gas stored in Customer's Park Balance not less than the quantity the Customer shall have nominated for withdrawal on such Gas Day.

2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule IPS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule IPS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Withdrawal. To the extent storage capacity or Gas which is being utilized by a Customer under this Rate Schedule IPS is needed by Caledonia in order to satisfy Caledonia's Firm Storage Service Agreement(s) or is otherwise necessary to avoid adverse impact on the operation of Caledonia's System, Caledonia may require Customer to withdraw all or any portion of, the Park Balance held in storage by Caledonia under this Rate Schedule IPS for the account of the Customer. Caledonia will notify the Customer of the need to withdraw Gas and the quantity to be withdrawn, and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or instant messaging to the Customer. Unless Caledonia otherwise agrees, Customer shall be required to make nominations ratably over the specified time period. During the period specified by Caledonia for withdrawal, Customer may negotiate a sale in place of its Gas in storage to another Customer with storage capacity available under this Rate Schedule IPS. If Customer fails to withdraw or sell in place such Park Balance within the time period specified by Caledonia, then Caledonia may take, free and clear of any adverse title, claims, or liens, title to such Park Balance as Customer was instructed to withdraw, at a price per Dth equal to the Current Market Price less Caledonia's costs related to Customer's failure to timely remove its Gas, and Caledonia shall credit such proceeds to any amount owed by Customer to Caledonia; *provided however*, that for each Gas Day Caledonia is unable to schedule the withdrawal of Customer's Gas, the period specified for withdrawal shall be extended by a corresponding number of Gas Days. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale.

2.4 No Capacity Release. Service rights under an IPS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis, quantities of Gas in excess of Customer's MDIQ, provided that Customer's Interruptible Park Balance has not exceeded Customer's MPQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule IPS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's Interruptible Park Balance not less than the quantities Customer shall have nominated for withdrawal on such Gas Day. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule IPS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Interruptible Parking Service under this Rate Schedule IPS including the applicable parking rate components set forth in the IPS Rate Statement and as described below:

(a) Interruptible Parking Charge. A charge for each Dth of Interruptible Parking Service available to Customer (Customer's MPQ). The charge may be on a daily, monthly or other basis per agreement between Caledonia and Customer.

(b) Interruptible Parking Injection Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1(a) of this Rate Schedule IPS during a given invoice period.

(c) Interruptible Parking Withdrawal Charge. A usage charge for each Dth of Customer's Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1(c) of this Rate Schedule IPS during a given invoice period.

- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule IPS during a given Month.
- (e) Overrun Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule IPS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's IPS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule IPS, as set forth in Customer's IPS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

- 5.1 Term. The term for Service under this Rate Schedule IPS shall be as set forth in Customer's IPS Service Agreement. Any Park Balance remaining in the Caledonia System on any Gas Day after the end of the Service period shall be considered to be "Holdover Gas" as specified in Section 6.9.11 of the General Terms and Conditions of this Gas Tariff. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

- 6.1 Compliance. The IPS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.
- 6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and

terms and conditions of Service as it deems necessary, and the IPS Service Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its IPS Service Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule IPS, where applicable, and shall supplement the terms and conditions governing Service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule IPS shall control.

**AILS RATE SCHEDULE
ADVANCED INTERRUPTIBLE LOAN SERVICE**

1. AVAILABILITY

1.1 This Rate Schedule is available to any Customer for the purchase of Advanced Interruptible Loan Service from Caledonia, provided that:

- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity, injection or withdrawal capacity to perform the Service Customer has requested;
- (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule AILS will not interfere with efficient operation of its System or with Firm Storage Service;
- (c) Customer and Caledonia have executed an AILS Services Agreement under this Rate Schedule AILS;
- (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
- (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Advanced Interruptible Loan Service provided under this Rate Schedule AILS; and
- (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule AILS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule shall apply to all Advanced Interruptible Loan Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed AILS Service Agreement. Advanced Interruptible Loan Service rendered by Caledonia to Customer under this Rate Schedule AILS shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas in storage not to exceed Customer's MDWQ up to Customer's MLQ, as stated in the AILS Service Agreement with Customer, provided that all Firm Storage Service nominations for withdrawal have been satisfied and System needs allow. Customer agrees to replace the borrowed quantities of Gas to Caledonia at a time to be agreed upon as set forth in the AILS Service Agreement. If Customer fails to return Gas advanced by Caledonia to Customer on or before the agreed date and time, the terms of Section 6.9.9 in the General Terms and Conditions shall apply.

- 2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ILS is subject to interruption based upon changes in Firm Storage Service nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ILS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.
- 2.3 Withdrawal. To the extent Caledonia advances Gas to an Advanced Interruptible Customer which is needed by Caledonia in order to satisfy Caledonia's obligations to Firm Storage Service Customers or the Gas is otherwise necessary to meet System needs, Caledonia may with reasonable and nondiscriminatory discretion and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the Loan Balance borrowed by Customer. Caledonia will notify the Customer of the need to replace or replenish Gas and the quantity to be replaced or replenished and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via U.S. mail, electronic-mail, instant messaging or other method to Customer. Unless Caledonia otherwise agrees, Customer shall be required to make injections ratably over the specified time period. If Customer fails to replace or replenish borrowed Gas to Caledonia as directed within the period specified by Caledonia, Caledonia will have the right to treat the loaned quantities that have not been returned as a sale of such loaned quantities to Customer, at a price per Dth equal to the Current Market Price, plus Caledonia's costs related to Customer's failure to timely return the loaned Gas. Caledonia will invoice Customer for such amount, and Customer's loaned quantities with respect to the relevant Service Agreement will be decreased accordingly upon Customer's payment of that amount. The sale of Gas to Customer under this section will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale. Notwithstanding anything else herein to the contrary, to the extent Customer is unable to return all or any portion of loaned quantities because of an interruption of Customer's injection service, Customer shall be allowed to return such loaned quantities within a reasonable time period following the expiry of such interruption.
- 2.4 No Capacity Release. Service rights under an AILS Service Agreement may not be released.

3. OVERRUN SERVICE

- 3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter,

schedule and inject on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDIQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule AILS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Advanced Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that the quantities Customer shall have nominated for withdrawal on such Gas Day will not cause Customer's Loan Balance to exceed Customer's MLQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(e) of this Rate Schedule AILS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Advanced Interruptible Loan Service under this Rate Schedule AILS including the applicable loan rate components set forth in the AILS Rate Statement and as described below:

- (a) Advanced Interruptible Loan Charge. A charge for each Dth of AILS available to Customer (Customer's MLQ). The charge may be on a daily, monthly, or other basis per agreement between Caledonia and Customer.
- (b) Advanced Interruptible Loan Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule AILS.
- (c) Advanced Interruptible Loan Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule AILS.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule AILS during a given Month.
- (e) Overrun Withdrawal Gas. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule AILS during a given Month.

- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's AILS Service Agreement.
- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule AILS, as set forth in Customer's AILS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. **TERM**

- 5.1 Term. The term for Service under this Rate Schedule AILS shall be as set forth in Customer's AILS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. **AUTHORIZATION, RATES, TERMS AND CHANGES**

- 6.1 Compliance. The AILS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.
- 6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms and conditions of service as it deems necessary, and the AILS Services Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. **INTERRUPTION OR CURTAILMENT**

- 7.1 Priority of Service. If, due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its AILS Service Agreement with Customers, then capacity, withdrawals, and/or injections will be allocated according to the

priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule AILS, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule AILS shall control.

**ILS RATE SCHEDULE
INTERRUPTIBLE LOAN SERVICE**

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any Customer for the purchase of Interruptible Loan Service from Caledonia, provided that:
- (a) Caledonia has determined that it has operationally available and uncommitted storage capacity, injection or withdrawal capacity to perform the Service Customer has requested;
 - (b) Caledonia has determined that the Service Customer has requested under this Rate Schedule ILS will not interfere with efficient operation of its System or with Firm Storage Service;
 - (c) Customer and Caledonia have executed an ILS Service Agreement under this Rate Schedule ILS;
 - (d) Customer satisfies the creditworthiness criteria in accordance with Section 6.4 of the General Terms and Conditions;
 - (e) Customer accepts responsibility for arranging any upstream and downstream transportation service required for utilization of the Interruptible Loan Service provided under this Rate Schedule ILS; and
 - (f) Caledonia shall not be required to construct, modify, expand or acquire any facilities to enable Caledonia to perform any requested Service under this Rate Schedule ILS.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Applicability. This Rate Schedule ILS shall apply to all Interruptible Loan Service rendered by Caledonia to Customer through use of Caledonia's System pursuant to an executed ILS Service Agreement. Interruptible Loan Service rendered by Caledonia to Customer under this Rate Schedule ILS shall consist of the advancement to Customer, upon nomination and subsequent confirmation, of daily quantities of Gas in storage not to exceed Customer's MDWQ up to Customer's MLQ, as stated in the Interruptible Storage Service Agreement with Customer, provided that all Firm Storage Service nominations for withdrawal have been satisfied and System needs allow. Customer agrees to replace the borrowed quantities of Gas to Caledonia at a time to be agreed upon as set forth in the ILS Service Agreement. If Customer fails to return Gas advanced by Caledonia to Customer on or before the agreed date and time, the terms of Section 6.9.9 in the General Terms and Conditions shall apply.
- 2.2 Interruptible. Gas which is scheduled for daily injection or withdrawal under this Rate Schedule ILS is subject to interruption based upon changes in Firm Storage Service

nominations received by Caledonia or when necessary to maintain the operational integrity of Caledonia's System. Prior notice of interruption will be given pursuant to Section 6.6.5(e) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Caledonia notifies the Customer of an interruption in Service under this Rate Schedule ILS, the Customer must cease injections or withdrawals, in whole or in part, as specified by Caledonia.

2.3 Interruptible. To the extent Caledonia advances Gas to an Interruptible Customer which is needed by Caledonia in order to satisfy Caledonia's obligations to Firm Storage Service Customers or the Gas is otherwise necessary to meet System needs, Caledonia may with reasonable and nondiscriminatory discretion and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the Loan Balance borrowed by Customer. Caledonia will notify the Customer of the need to replace or replenish Gas and the quantity to be replaced or replenished and shall specify the time period in which the Customer must comply with the notice. Caledonia's notice to Customer may be given orally, but shall be confirmed in writing via U.S. mail, e-mail, instant messaging or other method to Customer. Unless Caledonia otherwise agrees, Customer shall be required to make injections ratably over the specified time period. If Customer fails to replace or replenish borrowed Gas to Caledonia as directed within the period specified by Caledonia, Caledonia will have the right to treat the loaned quantities that have not been returned as a sale of such loaned quantities to Customer, at a price per Dth equal to the Current Market Price, plus Caledonia's costs related to Customer's failure to timely return the loaned quantities. Caledonia will invoice Customer for such amount, and Customer's loaned quantities with respect to the relevant Service Agreement will be decreased accordingly upon Customer's payment of that amount. The sale of Gas to Customer under this Section 2.3 will not relieve Customer of its obligation to pay Caledonia all applicable charges that accrued before such sale. Notwithstanding anything else herein to the contrary, to the extent Customer is unable to return all or any portion of loaned quantities because of an interruption of Customer's injection service, Customer shall be allowed to return such loaned quantities within a reasonable time period following the expiry of such interruption.

2.4 No Capacity Release. Service rights under an ILS Service Agreement may not be released.

3. OVERRUN SERVICE

3.1 Injection. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has injection capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ. Such Authorized Overrun Quantities

shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ILS.

3.2 Withdrawal. Provided it can be accomplished by Caledonia without detriment to Caledonia's Storage Facility and Caledonia has withdrawal capacity available, Caledonia may, upon request of Customer and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that the quantities Customer shall have nominated for withdrawal on such Gas Day will not cause Customer's Loan Balance to exceed Customer's MLQ. Such Authorized Overrun Quantities shall be subject to the charge set forth in Section 4.1(d) of this Rate Schedule ILS.

3.3 Interruptible. Caledonia shall have the right to interrupt or not to schedule all or part of the Authorized Overrun Quantities nominated, subject to Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff, in which event Caledonia shall notify Customer.

4. RATES AND CHARGES

4.1 Rates & Charges. Customer shall pay rates and charges for Interruptible Loan Service under this Rate Schedule ILS including the applicable loan rate components set forth in the ILS Rate Statement and as described below:

- (a) Interruptible Loan Charge. A charge for each Dth of ILS available to Customer (Customer's MLQ). The charge may be on a daily, monthly, or other basis per agreement between Caledonia and Customer.
- (b) Interruptible Loan Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule ILS.
- (c) Interruptible Loan Withdrawal Charge. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 2.1 of this Rate Schedule ILS.
- (d) Overrun Injection Charge. A usage charge for each Dth of Gas (including fuel, if applicable) injected into Caledonia's Storage Facility pursuant to Section 3.1 of this Rate Schedule ILS during a given Month.
- (e) Overrun Withdrawal Gas. A usage charge for each Dth of Gas (including fuel, if applicable) withdrawn from Caledonia's Storage Facility pursuant to Section 3.2 of this Rate Schedule ILS during a given Month.
- (f) Fuel Reimbursement. The amount of Gas or equivalent charge for fuel and losses determined in accordance with Section 6.18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's ILS Service Agreement.

- (g) Regulatory Fees and Charges. Customer shall reimburse Caledonia for all fees and charges, including, but not limited to, ACA charges, as required by the Commission or any other regulatory body, that are related to Service provided under this Rate Schedule ILS, as set forth in Customer's ILS Service Agreement.
- (h) Taxes. Customer shall be responsible for all taxes and similar assessments described in Section 6.15, "Taxes," of the General Terms and Conditions of this Gas Tariff, whether or not expressly set forth in a Service Agreement.

5. TERM

5.1 Term. The term for Service under this Rate Schedule ILS shall be as set forth in Customer's ILS Service Agreement. Notwithstanding anything to the contrary in this Gas Tariff, Caledonia may agree with any Customer, on a not unduly discriminatory basis, to an extension of the term of a Service Agreement for an additional term to be negotiated on a case-by-case basis.

6. AUTHORIZATION, RATES, TERMS AND CHANGES

6.1 Compliance. The ILS Service Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by the FERC and any state or local governmental agency having jurisdiction, of requisite authorization for Caledonia to provide the Interruptible Loan Service contemplated hereby and to construct and operate the Gas Storage Facilities necessary to provide such Service and for any connected pipeline to transport Gas to/from the Storage Facility necessary to effect the Service provided for herein.

6.2 Changes. Caledonia shall have the right to propose to the FERC or any other governing regulatory body such changes in its rates and terms and conditions of Service as it deems necessary, and the ILS Service Agreement shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same.

7. INTERRUPTION OR CURTAILMENT

7.1 Priority of Service. If, due to any cause whatsoever, Caledonia's capability to inject or withdraw quantities is impaired so that Caledonia is unable to inject or withdraw the quantities provided for in its ILS Service Agreement(s) with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of Service as set forth in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff.

8. GENERAL TERMS AND CONDITIONS

8.1 Incorporation. Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule ILS, where applicable, and shall supplement the terms and conditions governing Service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this Rate Schedule ILS shall control.