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July 2, 2025

Ms. Debbie-Anne A. Reese, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Re: *Caledonia Energy Partners, L.L.C.*, Docket No. RP25-\_\_-000  
Tariff Filing

Dear Ms. Reese,

Pursuant to Section 4 of the Natural Gas Act<sup>1</sup> and Part 154 of the Federal Energy Regulatory Commission's (the "Commission") regulations,<sup>2</sup> Caledonia Energy Partners, L.L.C. ("Caledonia") hereby submits for filing and inclusion in its FERC Gas Tariff ("Tariff"), the following tariff records with a proposed effective date of August 1, 2025:

Section 5.1, Firm Storage Service Rate Schedule (2.0.0)  
Section 6.9, GTC – Nominations and Scheduling (7.0.0)

### **STATEMENT OF NATURE, REASONS AND BASIS**

Caledonia is submitting the above-listed tariff records to make limited, clarifying revisions to its currently effective tariff. Caledonia is revising Section 5.1, Firm Storage Service Rate Schedule, to clarify that term extensions may be agreed to on a not unduly discriminatory basis. This language is identical to the term provisions in Section 5.1 of Caledonia's remaining rate schedules and is consistent with the language in Section 6.3, GTC – Request for Service.<sup>3</sup> Additionally, Caledonia is revising Section 6.9, GTC – Nominations and Scheduling, to replace the references to certain communications made via telephone with references to such communications via email. Currently, intraday and evening nominations and notices related thereto are required via telephone, and with the proposed revision, the required form of communication will be via email.

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<sup>1</sup> 15 U.S.C. § 717c (2024).

<sup>2</sup> 18 C.F.R. Pt. 154 (2024).

<sup>3</sup> See Caledonia FERC Gas Tariff, Second Revised Volume No. 1, at Rate Schedules AISS, ISS, IPS, AILS, and ILS at Section 5.1 (Term); see also *id.* at Section 6.3, GTC – Request for Service, at Section 3.1(a) (Requests for Service).

## **PROPOSED EFFECTIVE DATE AND MOTION**

Caledonia requests that the Commission make the proposed Tariff records effective August 1, 2025. Pursuant to Section 154.7(a)(9) of the Commission's regulations,<sup>4</sup> Caledonia files this motion to place the Tariff records into effect at the expiration of any minimal suspension period that may be set by the Commission provided the Tariff records are accepted as filed and without condition. In the event the Tariff records are not accepted as filed and without condition or are suspended for other than a minimal period, Caledonia reserves the right to file a motion at a later date to place such Tariff records into effect.

## **COMPLIANCE WITH REGULATIONS**

In compliance with Section 154.4(c) of the Commission's regulations,<sup>5</sup> all contents of this filing are being submitted as part of an XML filing in conformance with the instructions provided on the Commission's website. The filing contains (i) this transmittal letter; (ii) a clean version of the proposed Tariff records in Word format; and (iii) a marked version of the proposed Tariff records in PDF format showing additions to and deletions from the currently effective Tariff record.

Pursuant to Section 154.201(a) of the Commission's regulations,<sup>6</sup> Caledonia has included a clean and marked version of the proposed Tariff records reflecting the proposed changes, and pursuant to Sections 154.2(d) and 154.208(b) of the Commission's regulations,<sup>7</sup> Caledonia will send a copy of this filing by electronic mail to each of Caledonia's shippers and affected state commissions. This filing is also available for public inspection during regular business hours in a convenient form and place at Caledonia's offices at 10375 Richmond Avenue, Suite 1900, Houston, Texas 77042.

In compliance with Section 154.204(f) of the Commission's regulations,<sup>8</sup> Caledonia states that it has no other Tariff filings pending before the Commission that may significantly impact this filing.

## **CORRESPONDENCE AND COMMUNICATION**

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,<sup>9</sup> Caledonia respectfully requests that the Commission add the following individuals to the service list in this proceeding:

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<sup>4</sup> 18 C.F.R. § 154.7(a)(9) (2024).

<sup>5</sup> 18 C.F.R. § 154.4(c) (2024).

<sup>6</sup> 18 C.F.R. § 154.201(a) (2024).

<sup>7</sup> 18 C.F.R. §§ 154.2(d), 154.208(b) (2024).

<sup>8</sup> 18 C.F.R. § 154.204(f) (2024).

<sup>9</sup> 18 C.F.R. § 385.203(b)(3) (2024).

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## SUBSCRIPTION

Pursuant to Section 154.4(b) of the Commission's regulations,<sup>10</sup> the undersigned certifies that: (1) she knows the contents of the filing, (2) the contents are true to the best of her knowledge and belief, and (3) she possesses full power and authority to sign the filing.

Should you have any questions about the instant filing, please contact the undersigned at (713) 338-3155.

Respectfully submitted,

/s/ Sabina D. Walia

Sabina D. Walia

*Counsel for Caledonia Energy Partners, L.L.C.*

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<sup>10</sup> 18 C.F.R. § 154.4(b) (2024).

**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.

9. **NOMINATIONS AND SCHEDULING**

9.1 Nomination Requirements. During any Gas Day when Customer desires Caledonia to inject or withdraw Gas for Customer's account, Customer shall submit a nomination to Caledonia (i) for timely nominations, via the Internet Web Site, and (ii) for evening and Intraday Nominations, via (a) the Internet Web Site and (b) email to the email address provided in the Service Agreement. Each nomination shall include the following minimum information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Customer name and Service Agreement number. All nominations shall be based on a daily quantity, or the applicable 1/24th, multiplied by number of hours remaining in the Gas Day. In accordance with NAESB WGQ Standard 1.3.5, all nominations shall include Customer-defined begin dates and end dates. All nominations, excluding Intraday Nominations, have rollover options. Specifically, Customers have the ability to nominate for several days, Months, or years, provided the nomination begin and end dates are within the term of Customer's Service Agreement. Authorized Overrun Quantities should be requested for separate nomination.

9.2 Nominations. Caledonia will accept nominations for Service as follows:

- (a) The Timely Nomination Cycle. On the day prior to gas flow: 1:00 P.M. CCT for nominations leaving control of the nominating party; 1:15 P.M. CCT for Receipt of nominations by Caledonia; 1:30 P.M. CCT to send Quick Response; 4:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:00 P.M. CCT for Receipt of scheduled quantities by Customer and point operator (all times Central Clock Time on the Gas Day prior to flow).

Scheduled quantities resulting from Timely Nominations should be effective at the start of the Gas Day.

- (b) The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (c) Intraday Nominations. Any nomination received during a Gas Day for the same Gas Day of Gas flow, or any nomination received after the nominations deadline set forth in Section 6.9.2(a) above for the following Gas Day flow shall be an Intraday Nomination. Intraday Nominations can be used to request increases or decreases in total flow. Intraday Nominations do not roll over (i.e., Intraday Nominations span one Gas Day only). Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination. Intraday Nominations may be used to nominate new injections or withdrawals. All nominations, including Intraday Nominations, should be based on a Daily quantity; thus, an intraday nominator need not submit an hourly

nomination. Intraday Nominations should include an effective date and time. The affected parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in the applicable Service Agreement or Gas Tariff. Caledonia reserves the right to pro-rate a Customer's MDIQ or MDWQ for a nomination that takes effect after the beginning of the Gas Day (9:00 A.M. CCT). Caledonia will exercise this right in a non-discriminatory manner consistent with the NAESB standards.

- (d) In the event Customer does not submit a timely nomination or desires to alter an existing nomination, Customer shall have the right to submit an Intraday Nomination to revise Customer's scheduled quantities on a prospective basis prior to the end of the Gas Day; provided, however, that such Intraday Nomination will be processed after all timely nominations have been scheduled. Such Intraday Nomination shall be implemented by Caledonia to the extent and only to the extent that Caledonia is able to confirm the Receipt and Delivery of such Gas at the Point of Injection/Withdrawal.
- (e) Customer shall have the right to negotiate a lower market rate for any Service in which such Customer agrees to forego its right to evening or Intraday Nomination services.

9.3 Processing Intraday Nominations. Caledonia shall process Intraday Nominations in accordance with the following standard nomination cycles:

- (a) The Evening Nomination Cycle: On the day prior to gas flow: 6:00 P.M. CCT for nominations leaving control of the nominating party; 6:15 P.M. CCT for Receipt of nominations by Caledonia; 6:30 P.M. CCT to send Quick Response; 8:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 9:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

- (b) The Intraday 1 Nomination Cycle: On the current Gas Day: 10:00 A.M. CCT for nominations leaving control of the nominating party; 10:15 A.M. CCT for Receipt of nominations by Caledonia; 10:30 A.M. CCT to send Quick Response; 12:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 1:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 P.M. CCT on the current Gas Day.

- (c) The Intraday 2 Nomination Cycle: 2:30 P.M. CCT for nominations leaving control of the nominating party; 2:45 P.M. CCT for Receipt of nominations by Caledonia; 3:00 P.M. CCT to send Quick Response; 5:00 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:30 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 P.M. CCT on the Gas Day.

- (d) The Intraday 3 Nomination Cycle: 7:00 P.M. CCT for nominations leaving control of the nominating party; 7:15 P.M. CCT for Receipt of nominations by Caledonia; 7:30 P.M. to send Quick Response; 9:30 P.M. CCT Receipt of completed of confirmation by Caledonia from upstream and downstream connected parties; 10:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 P.M. CCT on the Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) For purposes of 6.9.3 (a), (b), (c) and (d) above (NAESB Standards 1.3.2(ii), (iii), (iv), and (v)), "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4x, Receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post. (NAESB WGQ Standard 1.3.2(vi)).
- (f) Elapsed Pro-rated Scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Caledonia may accept any explicitly confirmed quantity, down to and including zero, for such Intraday Nomination; provided, however, if such Intraday Nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any Intraday Nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.
- (g) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.

- (h) Notices provided under this Section 6.9.3 must be submitted in writing via the Internet Web Site and, if such notice is related to an evening or Intraday Nomination, via email to the email address provided in the relevant Service Agreement. Customer shall provide notice of any changes in Deliveries to Receipt from Caledonia to Transporter and shall be responsible for, and shall hold Caledonia harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of Caledonia.
- (i) Customer shall make available and tender any Gas to be injected hereunder and Receive and accept Delivery, upon tender by Caledonia, any Gas requested to be withdrawn from storage. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by Caledonia in Customer's Service Agreement) Receive or Deliver Gas, nor shall Caledonia be obligated to Receive Gas or Deliver Gas, on an hourly basis at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

9.4 Right to Reject. Caledonia shall always have the right to reject a nomination, and shall have no liability to Customer or any other Person in connection with such rejection of Service, if under such nomination any requirement of this Gas Tariff or of the Customer's Service Agreement has not been met (and, if applicable, maintained) at the time of such nomination.

9.5 Binding Nature and Effect. Nominations made in accordance with this Section 6.9 shall not become effective until Caledonia has confirmed both the nominated Receipts and Deliveries with all Transporters. A nomination made in accordance with this Section 6.9 shall be binding on Caledonia and Customer, subject to the terms of this Gas Tariff and the applicable Service Agreement, and shall remain in effect until duly changed, interrupted by Caledonia or a Transporter for operational reasons or, if for Interruptible Service, to serve Customers with a higher Service priority, or is otherwise interrupted in accordance with the terms of this Gas Tariff or the applicable Service Agreement.

9.6 Simultaneous Injections and Withdrawals. Customer's nomination shall be in good faith and shall be based on Customer's reasonable efforts to estimate the quantity of Gas to be injected or withdrawn for the next hour, day, week or month. Customer may not inject and withdraw simultaneously without the approval of Caledonia; Caledonia will grant or deny requests to do so on a non-discriminatory basis.

9.7 Confirmation Procedures. Default confirmation procedures shall be as follows:

- (a) With respect to the timely nomination/confirmation process at a Point of Injection/Withdrawal, in the absence of agreement to the contrary, the lesser of the confirmation

quantities shall be the confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the lesser of the confirmation quantity or the previously scheduled quantity shall be the new confirmed quantity.

- (b) With respect to the processing of requests for increases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the previously scheduled quantity shall be the new confirmed quantity.
- (c) With respect to the processing of requests for decreases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity, but in any event no less than the Elapsed Pro-rated Scheduled Quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the greater of the confirmation quantity or the Elapsed Pro-rated Scheduled Quantity shall be the new confirmed quantity.
- (d) With respect to Sections 6.9.7(a), (b), and (c), if there is no response to a request for confirmation or an unsolicited confirmation response, Caledonia shall provide the Service requester with the following information to explain why the nomination failed, if applicable:
  - (i) the Customer's Transporter did not conduct the confirmation;
  - (ii) the Transporter indicates that the upstream confirming party did not conduct the confirmation;
  - (iii) the Transporter indicates that the upstream service requester did not have the Gas or submit the nomination;
  - (iv) the Transporter indicates that the downstream confirming party did not conduct the confirmation;
  - (v) the Transporter indicates that the downstream service requester did not have the market or submit the nomination. Ranking should be included in the list of data elements. Caledonia shall use Customer provided rankings when making reductions during the scheduling process when this does not conflict with the rules set forth in this Gas Tariff.

9.8 Inventory Management and Delivery Defaults.

- (a) For Interruptible Loan Service transactions, Customer shall nominate its withdrawals so that all loaned Gas quantities are ratably withdrawn from the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that the returned loaned quantities are ratably injected into the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (b) For Interruptible Parking Service transactions, Customer shall nominate its injections so that all parked volumes are ratably injected into the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that such parked volumes are ratably withdrawn from the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (c) In the event of imbalances created under the Rate Schedules set forth in this FERC Gas Tariff, Caledonia shall permit Customers and their agents to offset imbalances accruing on different contracts held by the Customer with Caledonia and, upon prior notification to Caledonia, to trade imbalance quantities with other Customers.
- (d) Receipt and Delivery Defaults. In the event of either Customer's or Caledonia's unexcused failure (and for purposes of this Gas Tariff, an "unexcused failure" shall not include any failure caused by a Force Majeure or any other interruption of Service permitted under this Gas Tariff) to Deliver or Receive a quantity of Gas (for purposes of this Section, the "Default Quantity") to or from the other Party (or to or from a third party for the account of the other Party) in accordance with a proper nomination under a particular transaction (for purposes of this Section, the "Defaulted Transaction"), such defaulting Party shall use its best efforts to notify the non-defaulting Party before the scheduled Delivery or Receipt date, as applicable, for such Default Quantity. In any event, the non-defaulting Party shall provide written notice of the Receipt Default or Delivery Default, as the case may be, to the defaulting Party within three (3) days after the date of such Delivery Default or Receipt Default (for purposes of this Section, a "Default Notice"), and indicate in such Default Notice whether the non-defaulting Party desires to pursue a remedy. Upon request of the defaulting Party, the non-defaulting Party shall provide written documentation of such Receipt Default or Delivery Default in the form of allocation statements from the applicable Transporter(s). Subject to Sections 6.12 and 6.23 of this Gas Tariff but notwithstanding any other provision herein or in any Service Agreement to the contrary, the remedies of a non-defaulting Party for a Delivery Default or Receipt Default will be expressly limited as set forth below:

- (i) Unless the terms of Sections 6.9.8(d)(iii) or (iv) are applicable, the parties shall act in accordance with Section 6.9.8(d)(ii), which may include, among other things, the use of commercially reasonable efforts to enter into a corresponding transaction (for purposes of this Section, the "Corresponding Transaction"). A Corresponding Transaction which may include (among other things), to the extent possible given the nature of the relevant Defaulted Transaction, (a) entering into an offsetting transaction, e.g., if the Defaulted Transaction is an Interruptible Loan Service transaction, entering into an Interruptible Parking Service transaction, or if the Defaulted Transaction is an Interruptible Parking Service transaction, entering into an Interruptible Loan Service transaction, or (b) entering into such other transaction as to which the Parties may agree) to mitigate damages to the extent possible while preserving the economic substance of the initial agreement between the Parties as evidenced by the original terms of the Defaulted Transaction.
  
- (ii) Firm Storage; Parking; Loaning. Except as provided in Sections 6.9.8(d)(iii) and 6.9.8(d)(iv) below, in the event of a Defaulted Transaction, the Parties shall enter into a Corresponding Transaction. If the Parties cannot agree to the terms of a Corresponding Transaction (after attempting in good faith to do so), the non-defaulting Party may collect damages from the defaulting Party equal to the greater of:
  - (A) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the relevant Nomination was made, as adjusted for the applicable basis differential plus applicable transportation; and
  
  - (B) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the physical Gas (of which was actually supposed to flow pursuant to such nomination), as adjusted for the applicable basis differential plus applicable transportation.
  
- (iii) Interruptible Storage Service. If the Defaulted Transaction is an Interruptible Storage Service Transaction, the Parties shall use commercially reasonable efforts to re-nominate and Deliver or Receive the nominated Gas, as the case may be, at each Party's earliest possible convenience.

- (iv) After Termination or Expiration of Service Period. If the Defaulted Transaction is a default by Customer and results in: (i) Customer's Storage Inventory remaining in the Caledonia System after the end of a Service period (if the relevant Service Agreement is for either FSS, ISS, or IPS) or (ii) Customer failing to re-Deliver all loaned quantities on or before the last Gas Day of the Service period (if the relevant Service Agreement is for Loaning Service), Caledonia shall have the continuing option to assert, in addition to the other remedies set forth in this Section 6.9.8, any remedies otherwise available at law or equity or as set forth in this Gas Tariff, including without limitation those remedies set forth in the applicable Rate Schedules and applicable Service Agreement(s).
  
- (v) With respect to any remedy for any Receipt Default or Delivery Default, notwithstanding any provision in any Service Agreement to the contrary, and in addition to all other remedies available to Caledonia, Customer will be responsible for all charges that accrued before the date of the Receipt Default or Delivery Default as well as all injection or withdrawal charges that would otherwise be applicable to the Default Quantities under the Defaulted Transaction had such Receipt Default or Delivery Default not occurred.

9.9 Expiration of Term for Interruptible Loan Service.

- (a) Failure to Return Gas. On or before the end of an Interruptible Loan Service or Advanced Interruptible Loan Service period, Customer must have Delivered to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under the relevant Service Agreement. Except as provided under Section 6.9.9(c) below, if Customer fails to re-Deliver all loaned quantities on or before the last Gas Day of the Service period, Caledonia will have the right, at its sole option, to either (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such unreturned loaned quantities (for example, a new ILS Service Agreement), (ii) treat the loaned quantities that have not been re-Delivered as a sale of such loaned quantities to Customer under the terms set forth in Section 6.9.9(b), and/or (iii) resort to a combination of both such remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently exercising its rights pursuant to Section 6.9.9(b) at any time loaned quantities have not been re-Delivered to Caledonia after the end of the new Service period. Caledonia's resort to any remedy under this Section 6.9.9(a) will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.9(a) above, but subject to Section 6.9.9(c) below, at Caledonia's sole option, Caledonia may charge Customer, and Customer shall pay within ten (10) Days of Caledonia's invoice, for a quantity of Gas thermally equivalent to the loaned quantities that were not returned to Caledonia, at a price per Dth equal to the Current Market Price of such Gas, plus Caledonia's costs related to Customer's failure to timely return the loaned Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's outstanding 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 thereof.
- (c) Force Majeure. The provisions of Sections 6.9.9(a) and 6.9.9(b) are subject to the provisions of this Section 6.9.9(c). To the extent Customer is unable to Deliver to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under a Service Agreement before the end of the applicable Service period by reason of suspension of injection rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to Deliver to the Storage Facility all remaining loaned quantities under such Service Agreement, on an Interruptible basis and in accordance with Customer MDIQ, and Caledonia shall refrain from exercising its rights under Sections 6.9.9(a) and 6.9.9(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's injection rights were subject to such Force Majeure and/or curtailment period during the initial Service period), *provided however*, that after such reasonable time the terms of Sections 6.9.9(a) and 6.9.9(b) shall once again apply.

#### 9.10 Gas Remaining in Storage after Expiration of Term.

- (a) Withdrawal On or Before End of Service Period. On or before the end of the primary term or any renewed term of the Customer's Service Agreement under Rate Schedules FSS, ISS, AISS, or IPS, Customer must have physically withdrawn all Gas held in storage for the account of Customer under such Service Agreement. Except as provided under Section 6.9.10(c) below, if any Storage Inventory or Park Balance remains in the Caledonia System on any Gas Day after the end of the service period (for purposes of this Section, the "Holdover Gas"), Caledonia shall have the right, at its sole option, to either: (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such Holdover Gas; (ii) take title to the Holdover Gas under the provisions of Section 6.9.10(b) below; or (iii) resort to a combination of both remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently

exercising its rights pursuant to Section 6.9.10(b) with regard to any Holdover Gas that remains in the Caledonia System after the end of the new Service period. Caledonia's use of any remedy under this Section 6.9.10 will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.10(a) above, and subject to Section 6.9.10(c) below, at Caledonia's sole option and demand Customer may transfer title to Holdover Gas to Caledonia, free and clear of all liens, encumbrances, and adverse claims of any kind, at a price per Dth equal to the Current Market Price of such Gas, less Caledonia's costs related to Customer's failure to timely remove its Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's Holdover Gas.
  
- (c) Force Majeure. The provisions of Sections 6.9.10(a) and 6.9.10(b) are subject to the provisions of this Section 6.9.10(c). To the extent Customer is unable to withdraw its Storage Inventory or Park Balance under a Service Agreement before the end of the applicable Service period by reason of a suspension of withdrawal rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to remove all remaining inventories under such Firm Storage Service Agreement, in accordance with Sections 6.9.10(a) and 6.9.10(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's withdrawal rights were subject to such Force Majeure and/or curtailment period during the initial Service period); provided, however, that after such reasonable time the terms of Sections 6.9.10(a) and 6.9.10(b) shall once again apply.

**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.

9. **NOMINATIONS AND SCHEDULING**

9.1 Nomination Requirements. During any Gas Day when Customer desires Caledonia to inject or withdraw Gas for Customer's account, Customer shall submit a nomination to Caledonia (i) for timely nominations, via the Internet Web Site, and (ii) for evening and Intraday Nominations, via (a) the Internet Web Site and (b) ~~telephone call~~email to the ~~number(s)~~email address provided in the Service Agreement. Each nomination shall include the following minimum information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Customer name and Service Agreement number. All nominations shall be based on a daily quantity, or the applicable 1/24th, multiplied by number of hours remaining in the Gas Day. In accordance with NAESB WGQ Standard 1.3.5, all nominations shall include Customer-defined begin dates and end dates. All nominations, excluding Intraday Nominations, have rollover options. Specifically, Customers have the ability to nominate for several days, Months, or years, provided the nomination begin and end dates are within the term of Customer's Service Agreement. Authorized Overrun Quantities should be requested for separate nomination.

9.2 Nominations. Caledonia will accept nominations for Service as follows:

- (a) The Timely Nomination Cycle. On the day prior to gas flow: 1:00 P.M. CCT for nominations leaving control of the nominating party; 1:15 P.M. CCT for Receipt of nominations by Caledonia; 1:30 P.M. CCT to send Quick Response; 4:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:00 P.M. CCT for Receipt of scheduled quantities by Customer and point operator (all times Central Clock Time on the Gas Day prior to flow).

Scheduled quantities resulting from Timely Nominations should be effective at the start of the Gas Day.

- (b) The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (c) Intraday Nominations. Any nomination received during a Gas Day for the same Gas Day of Gas flow, or any nomination received after the nominations deadline set forth in Section 6.9.2(a) above for the following Gas Day flow shall be an Intraday Nomination. Intraday Nominations can be used to request increases or decreases in total flow. Intraday Nominations do not roll over (i.e., Intraday Nominations span one Gas Day only). Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination. Intraday Nominations may be used to nominate new injections or withdrawals. All nominations, including Intraday Nominations, should be based on a Daily quantity;

thus, an intraday nominator need not submit an hourly nomination. Intraday Nominations should include an effective date and time. The affected parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in the applicable Service Agreement or Gas Tariff. Caledonia reserves the right to pro-rate a Customer's MDIQ or MDWQ for a nomination that takes effect after the beginning of the Gas Day (9:00 A.M. CCT). Caledonia will exercise this right in a non-discriminatory manner consistent with the NAESB standards.

- (d) In the event Customer does not submit a timely nomination or desires to alter an existing nomination, Customer shall have the right to submit an Intraday Nomination to revise Customer's scheduled quantities on a prospective basis prior to the end of the Gas Day; provided, however, that such Intraday Nomination will be processed after all timely nominations have been scheduled. Such Intraday Nomination shall be implemented by Caledonia to the extent and only to the extent that Caledonia is able to confirm the Receipt and Delivery of such Gas at the Point of Injection/Withdrawal.
- (e) Customer shall have the right to negotiate a lower market rate for any Service in which such Customer agrees to forego its right to evening or Intraday Nomination services.

9.3 Processing Intraday Nominations. Caledonia shall process Intraday Nominations in accordance with the following standard nomination cycles:

- (a) The Evening Nomination Cycle: On the day prior to gas flow: 6:00 P.M. CCT for nominations leaving control of the nominating party; 6:15 P.M. CCT for Receipt of nominations by Caledonia; 6:30 P.M. CCT to send Quick Response; 8:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 9:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

- (b) The Intraday 1 Nomination Cycle: On the current Gas Day: 10:00 A.M. CCT for nominations leaving control of the nominating party; 10:15 A.M. CCT for Receipt of nominations by Caledonia; 10:30 A.M. CCT to send Quick Response; 12:30 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 1:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 P.M. CCT on the current Gas Day.

- (c) The Intraday 2 Nomination Cycle: 2:30 P.M. CCT for nominations leaving control of the nominating party; 2:45 P.M. CCT for Receipt of nominations by Caledonia; 3:00 P.M. CCT to send Quick Response; 5:00 P.M. CCT for Receipt of completed confirmations by Caledonia from upstream and downstream connected parties; 5:30 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 P.M. CCT on the Gas Day.

- (d) The Intraday 3 Nomination Cycle: 7:00 P.M. CCT for nominations leaving control of the nominating party; 7:15 P.M. CCT for Receipt of nominations by Caledonia; 7:30 P.M. to send Quick Response; 9:30 P.M. CCT Receipt of completed of confirmation by Caledonia from upstream and downstream connected parties; 10:00 P.M. CCT for Caledonia to provide scheduled quantities to affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 P.M. CCT on the Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) For purposes of 6.9.3 (a), (b), (c) and (d) above (NAESB Standards 1.3.2(ii), (iii), (iv), and (v)), "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4x, Receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post. (NAESB WGQ Standard 1.3.2(vi)).
- (f) Elapsed Pro-rated Scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Caledonia may accept any explicitly confirmed quantity, down to and including zero, for such Intraday Nomination; provided, however, if such Intraday Nomination requires confirmation from an upstream and/or downstream interconnected pipeline, then any Intraday Nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.
- (g) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in Section 6.6 of the General Terms and Conditions of this FERC Gas Tariff. Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.

(h) Notices provided under this Section 6.9.3 must be submitted in writing via the Internet Web Site and, if such notice is related to an evening or Intraday Nomination, via ~~telephone~~ ~~email~~ to the ~~email address~~ ~~number~~ provided in the relevant Service Agreement. Customer shall provide notice of any changes in Deliveries to Receipt from Caledonia to Transporter and shall be responsible for, and shall hold Caledonia harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of Caledonia.

(i) Customer shall make available and tender any Gas to be injected hereunder and Receive and accept Delivery, upon tender by Caledonia, any Gas requested to be withdrawn from storage. The quantity of Gas stored for the account of Customer shall be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer shall not (unless otherwise agreed by Caledonia in Customer's Service Agreement) Receive or Deliver Gas, nor shall Caledonia be obligated to Receive Gas or Deliver Gas, on an hourly basis at rates of flow in excess of 1/24 of Customer's MDIQ or MDWQ, respectively.

9.4 Right to Reject. Caledonia shall always have the right to reject a nomination, and shall have no liability to Customer or any other Person in connection with such rejection of Service, if under such nomination any requirement of this Gas Tariff or of the Customer's Service Agreement has not been met (and, if applicable, maintained) at the time of such nomination.

9.5 Binding Nature and Effect. Nominations made in accordance with this Section 6.9 shall not become effective until Caledonia has confirmed both the nominated Receipts and Deliveries with all Transporters. A nomination made in accordance with this Section 6.9 shall be binding on Caledonia and Customer, subject to the terms of this Gas Tariff and the applicable Service Agreement, and shall remain in effect until duly changed, interrupted by Caledonia or a Transporter for operational reasons or, if for Interruptible Service, to serve Customers with a higher Service priority, or is otherwise interrupted in accordance with the terms of this Gas Tariff or the applicable Service Agreement.

9.6 Simultaneous Injections and Withdrawals. Customer's nomination shall be in good faith and shall be based on Customer's reasonable efforts to estimate the quantity of Gas to be injected or withdrawn for the next hour, day, week or month. Customer may not inject and withdraw simultaneously without the approval of Caledonia; Caledonia will grant or deny requests to do so on a non-discriminatory basis.

9.7 Confirmation Procedures. Default confirmation procedures shall be as follows:

(a) With respect to the timely nomination/confirmation process at a Point of Injection/Withdrawal, in the absence of agreement to the contrary, the lesser of the confirmation

quantities shall be the confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the lesser of the confirmation quantity or the previously scheduled quantity shall be the new confirmed quantity.

- (b) With respect to the processing of requests for increases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the previously scheduled quantity shall be the new confirmed quantity.
- (c) With respect to the processing of requests for decreases during the Intraday Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities shall be the new confirmed quantity, but in any event no less than the Elapsed Pro-rated Scheduled Quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the greater of the confirmation quantity or the Elapsed Pro-rated Scheduled Quantity shall be the new confirmed quantity.
- (d) With respect to Sections 6.9.7(a), (b), and (c), if there is no response to a request for confirmation or an unsolicited confirmation response, Caledonia shall provide the Service requester with the following information to explain why the nomination failed, if applicable:
  - (i) the Customer's Transporter did not conduct the confirmation;
  - (ii) the Transporter indicates that the upstream confirming party did not conduct the confirmation;
  - (iii) the Transporter indicates that the upstream service requester did not have the Gas or submit the nomination;
  - (iv) the Transporter indicates that the downstream confirming party did not conduct the confirmation;
  - (v) the Transporter indicates that the downstream service requester did not have the market or submit the nomination. Ranking should be included in the list of data elements. Caledonia shall use Customer provided rankings when making reductions during the scheduling process when this does not conflict with the rules set forth in this Gas Tariff.

9.8 Inventory Management and Delivery Defaults.

- (a) For Interruptible Loan Service transactions, Customer shall nominate its withdrawals so that all loaned Gas quantities are ratably withdrawn from the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that the returned loaned quantities are ratably injected into the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (b) For Interruptible Parking Service transactions, Customer shall nominate its injections so that all parked volumes are ratably injected into the Storage Facility during the Gas Days available during the first calendar Month of the Service Agreement period, and shall nominate such that such parked volumes are ratably withdrawn from the Storage Facility during the Gas Days available during the last calendar Month of the Service Agreement period.
- (c) In the event of imbalances created under the Rate Schedules set forth in this FERC Gas Tariff, Caledonia shall permit Customers and their agents to offset imbalances accruing on different contracts held by the Customer with Caledonia and, upon prior notification to Caledonia, to trade imbalance quantities with other Customers.
- (d) Receipt and Delivery Defaults. In the event of either Customer's or Caledonia's unexcused failure (and for purposes of this Gas Tariff, an "unexcused failure" shall not include any failure caused by a Force Majeure or any other interruption of Service permitted under this Gas Tariff) to Deliver or Receive a quantity of Gas (for purposes of this Section, the "Default Quantity") to or from the other Party (or to or from a third party for the account of the other Party) in accordance with a proper nomination under a particular transaction (for purposes of this Section, the "Defaulted Transaction"), such defaulting Party shall use its best efforts to notify the non-defaulting Party before the scheduled Delivery or Receipt date, as applicable, for such Default Quantity. In any event, the non-defaulting Party shall provide written notice of the Receipt Default or Delivery Default, as the case may be, to the defaulting Party within three (3) days after the date of such Delivery Default or Receipt Default (for purposes of this Section, a "Default Notice"), and indicate in such Default Notice whether the non-defaulting Party desires to pursue a remedy. Upon request of the defaulting Party, the non-defaulting Party shall provide written documentation of such Receipt Default or Delivery Default in the form of allocation statements from the applicable Transporter(s). Subject to Sections 6.12 and 6.23 of this Gas Tariff but notwithstanding any other provision herein or in any Service Agreement to the contrary, the remedies of a non-defaulting Party for a Delivery Default or Receipt Default will be expressly limited as set forth below:

- (i) Unless the terms of Sections 6.9.8(d)(iii) or (iv) are applicable, the parties shall act in accordance with Section 6.9.8(d)(ii), which may include, among other things, the use of commercially reasonable efforts to enter into a corresponding transaction (for purposes of this Section, the "Corresponding Transaction"). A Corresponding Transaction which may include (among other things), to the extent possible given the nature of the relevant Defaulted Transaction, (a) entering into an offsetting transaction, e.g., if the Defaulted Transaction is an Interruptible Loan Service transaction, entering into an Interruptible Parking Service transaction, or if the Defaulted Transaction is an Interruptible Parking Service transaction, entering into an Interruptible Loan Service transaction, or (b) entering into such other transaction as to which the Parties may agree) to mitigate damages to the extent possible while preserving the economic substance of the initial agreement between the Parties as evidenced by the original terms of the Defaulted Transaction.
  
- (ii) Firm Storage; Parking; Loaning. Except as provided in Sections 6.9.8(d)(iii) and 6.9.8(d)(iv) below, in the event of a Defaulted Transaction, the Parties shall enter into a Corresponding Transaction. If the Parties cannot agree to the terms of a Corresponding Transaction (after attempting in good faith to do so), the non-defaulting Party may collect damages from the defaulting Party equal to the greater of:
  - (A) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the relevant Nomination was made, as adjusted for the applicable basis differential plus applicable transportation; and
  
  - (B) the absolute value of the product of (x) the Default Quantity multiplied by (y) the spread between the Daily Reference Price and the NYMEX Prompt Month settlement price for the Gas Day on which the physical Gas (of which was actually supposed to flow pursuant to such nomination), as adjusted for the applicable basis differential plus applicable transportation.
  
- (iii) Interruptible Storage Service. If the Defaulted Transaction is an Interruptible Storage Service Transaction, the Parties shall use commercially reasonable efforts to re-nominate and Deliver or Receive the nominated Gas, as the case may be, at each Party's earliest possible convenience.

- (iv) After Termination or Expiration of Service Period. If the Defaulted Transaction is a default by Customer and results in: (i) Customer's Storage Inventory remaining in the Caledonia System after the end of a Service period (if the relevant Service Agreement is for either FSS, ISS, or IPS) or (ii) Customer failing to re-Deliver all loaned quantities on or before the last Gas Day of the Service period (if the relevant Service Agreement is for Loaning Service), Caledonia shall have the continuing option to assert, in addition to the other remedies set forth in this Section 6.9.8, any remedies otherwise available at law or equity or as set forth in this Gas Tariff, including without limitation those remedies set forth in the applicable Rate Schedules and applicable Service Agreement(s).
  
- (v) With respect to any remedy for any Receipt Default or Delivery Default, notwithstanding any provision in any Service Agreement to the contrary, and in addition to all other remedies available to Caledonia, Customer will be responsible for all charges that accrued before the date of the Receipt Default or Delivery Default as well as all injection or withdrawal charges that would otherwise be applicable to the Default Quantities under the Defaulted Transaction had such Receipt Default or Delivery Default not occurred.

9.9 Expiration of Term for Interruptible Loan Service.

- (a) Failure to Return Gas. On or before the end of an Interruptible Loan Service or Advanced Interruptible Loan Service period, Customer must have Delivered to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under the relevant Service Agreement. Except as provided under Section 6.9.9(c) below, if Customer fails to re-Deliver all loaned quantities on or before the last Gas Day of the Service period, Caledonia will have the right, at its sole option, to either (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such unreturned loaned quantities (for example, a new ILS Service Agreement), (ii) treat the loaned quantities that have not been re-Delivered as a sale of such loaned quantities to Customer under the terms set forth in Section 6.9.9(b), and/or (iii) resort to a combination of both such remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently exercising its rights pursuant to Section 6.9.9(b) at any time loaned quantities have not been re-Delivered to Caledonia after the end of the new Service period. Caledonia's resort to any remedy under this Section 6.9.9(a) will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.9(a) above, but subject to Section 6.9.9(c) below, at Caledonia's sole option, Caledonia may charge Customer, and Customer shall pay within ten (10) Days of Caledonia's invoice, for a quantity of Gas thermally equivalent to the loaned quantities that were not returned to Caledonia, at a price per Dth equal to the Current Market Price of such Gas, plus Caledonia's costs related to Customer's failure to timely return the loaned Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's outstanding 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 thereof.
- (c) Force Majeure. The provisions of Sections 6.9.9(a) and 6.9.9(b) are subject to the provisions of this Section 6.9.9(c). To the extent Customer is unable to Deliver to the Storage Facility a volume of Gas equal to the loaned quantities borrowed by Customer under a Service Agreement before the end of the applicable Service period by reason of suspension of injection rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to Deliver to the Storage Facility all remaining loaned quantities under such Service Agreement, on an Interruptible basis and in accordance with Customer MDIQ, and Caledonia shall refrain from exercising its rights under Sections 6.9.9(a) and 6.9.9(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's injection rights were subject to such Force Majeure and/or curtailment period during the initial Service period), *provided however*, that after such reasonable time the terms of Sections 6.9.9(a) and 6.9.9(b) shall once again apply.

9.10 Gas Remaining in Storage after Expiration of Term.

- (a) Withdrawal On or Before End of Service Period. On or before the end of the primary term or any renewed term of the Customer's Service Agreement under Rate Schedules FSS, ISS, AISS, or IPS, Customer must have physically withdrawn all Gas held in storage for the account of Customer under such Service Agreement. Except as provided under Section 6.9.10(c) below, if any Storage Inventory or Park Balance remains in the Caledonia System on any Gas Day after the end of the service period (for purposes of this Section, the "Holdover Gas"), Caledonia shall have the right, at its sole option, to either: (i) attempt to negotiate with Customer to enter into a new Service Agreement, on an Interruptible basis, related to such Holdover Gas; (ii) take title to the Holdover Gas under the provisions of Section 6.9.10(b) below; or (iii) resort to a combination of both remedies. Caledonia's election to enter into a new Service Agreement will not prevent it from subsequently

exercising its rights pursuant to Section 6.9.10(b) with regard to any Holdover Gas that remains in the Caledonia System after the end of the new Service period. Caledonia's use of any remedy under this Section 6.9.10 will not relieve Customer of its obligation to pay Caledonia for any applicable charges accruing to Customer's account before such actions are taken.

- (b) Title. Pursuant to the provision of Section 6.9.10(a) above, and subject to Section 6.9.10(c) below, at Caledonia's sole option and demand Customer may transfer title to Holdover Gas to Caledonia, free and clear of all liens, encumbrances, and adverse claims of any kind, at a price per Dth equal to the Current Market Price of such Gas, less Caledonia's costs related to Customer's failure to timely remove its Gas, with Current Market Price being measured on the date on which Caledonia liquidates Customer's Holdover Gas.
- (c) Force Majeure. The provisions of Sections 6.9.10(a) and 6.9.10(b) are subject to the provisions of this Section 6.9.10(c). To the extent Customer is unable to withdraw its Storage Inventory or Park Balance under a Service Agreement before the end of the applicable Service period by reason of a suspension of withdrawal rights during the Service period caused by Force Majeure declared by Caledonia or other curtailment of such rights declared by Caledonia, Customer shall be allowed to nominate to remove all remaining inventories under such Firm Storage Service Agreement, in accordance with Sections 6.9.10(a) and 6.9.10(b), for a reasonable time after the expiry of such Force Majeure or curtailment period (i.e., the same number of Gas Days as Customer's withdrawal rights were subject to such Force Majeure and/or curtailment period during the initial Service period); provided, however, that after such reasonable time the terms of Sections 6.9.10(a) and 6.9.10(b) shall once again apply.