

FERC
PIPELINE GAS TARIFF
FIRST REVISED VOLUME NO. 1
OF
CAMERON INTERSTATE PIPELINE, LLC
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this tariff
should be addressed to:

Jerrod L. Harrison
Senior Counsel
Sempra LNG
488 8th Avenue
San Diego, CA 92101
JHarrison@SempraGlobal.com
Tel 619-696-2987

TABLE OF CONTENTS

<i>FIRST REVISED VOLUME NO. 1</i>	Section
Table of Contents	1.0
Preliminary Statement.....	2.0
Map.....	3.0
Rate Schedules	
Summary of Rates and Charges	4.0
Rate Schedule Firm Transportation (FT) Service.....	5.0
Rate Schedule Interruptible Transportation (IT) Service.....	6.0
Rate Schedule Parking and Lending (PAL) Service.....	7.0
General Terms and Conditions.....	8.0
8.1 Definitions	
8.2 Service Requests, Contracting for Service and Credit Requirements	
8.3 Policy with Respect to Fees and Construction of Interconnect Facilities	
8.4 Allocation of Firm Capacity Entitlements and Right of First Refusal	
8.5 Nomination Procedure	
8.6 Scheduling Procedure	
8.7 Operational Balancing Agreements, Determination of Receipts and Deliveries, Allowable Daily Dispatching Variations, Overrun Penalties and Scheduling Penalties	
8.8 Maximum Daily Delivery Quantity, Installation of Flow Control Equipment, and Hourly Flow Rate	
8.9 Operational Flow Orders	
8.10 Curtailment	
8.11 Capacity Release	
8.12 Resolution of Imbalances and Cashout Provision	
8.13 Pooling Service	
8.14 Quality of Gas	
8.15 Pressure of Gas	
8.16 Measurement & Measurement Equipment	
8.17 Possession of Gas	
8.18 Warranty of Title to Gas	
8.19 Billing and Payments	

- 8.20 Termination for Default
- 8.21 *Force Majeure* and Limitation on Obligation to Provide Service
- 8.22 Fuel Retainage Percentage
- 8.23 Rate and Tariff Changes
- 8.24 Annual Charge Adjustment ("ACA")
- 8.25 Penalty Revenue Sharing
- 8.26 Interruptible and Authorized Overrun Service Transportation Revenue Sharing
- 8.27 Negotiated Rates
- 8.28 Order of Discounts, Discount Terms
- 8.29 Notices
- 8.30 Code of Compliance by Shipper
- 8.31 Discretionary Waiver
- 8.32 Descriptive Headings
- 8.33 Governmental Regulation
- 8.34 Reports with Respect to Tariff
- 8.35 Electronic Communication and Reporting Requirements
- 8.36 Incorporation in Rate Schedules and Gas Service Agreements
- 8.37 North American Energy Standards Board ("NAESB")
- 8.38 Agency Service
- 8.39 Standards of Conduct; Complaints
- 8.40 Dispute Resolution
- 8.41 Termination of Long Term Service Agreement
- 8.42 Non-Conforming Service Agreements
- 8.43 Off-System Capacity
- 8.44 Operational Transactions

Service Agreement Forms

Service Agreement for Rate Schedule FT	9.0
Service Agreement for Rate Schedule IT	10.0
Capacity Release Umbrella Agreement	11.0
Service Agreement for Rate Schedule PAL	12.0

ORIGINAL VOLUME NO. 1A

Section

Negotiated Rate Statements 1.0

Executed Agreements 2.0

2.0 PRELIMINARY STATEMENT

This Federal Energy Regulatory Commission ("FERC" or "Commission") Gas Tariff is filed by Cameron Interstate Pipeline, LLC ("Pipeline"). This FERC Gas Tariff sets forth the terms and conditions of the transportation and other related services rendered by Pipeline. Pipeline is a natural gas company engaged in the business of transporting natural gas and related services under authorization granted by and subject to the jurisdiction of the Commission.

The transportation of natural gas and related services are undertaken by Pipeline only under contracts acceptable to Pipeline after consideration of its commitments to others, delivery capacity and other factors deemed pertinent by Pipeline. Pipeline reserves the right, when the construction of facilities is required to provide service, to require a separate written agreement specifying any conditions other than those set forth in the Tariff which must be satisfied before the contracts for the transportation of natural gas and related services become operative.

3.0 System Map

The System Map for Cameron Interstate Pipeline, LLC can be found at the following internet website address, or Uniform Resource Locator (“URL”):

<http://www.gasnom.com/ip/cameron/map>

4.0 SUMMARY OF RATES AND CHARGES (All rates in \$/Dth)

Original Facilities authorized by CP02-374, CP05-119, CP05-121:

Currently Effective Rates:	Reservation Charge		Usage Charge	
	Maximum	Minimum	Maximum	Minimum

FT FIRM TRANSPORTATION SERVICE Rate Schedule

Monthly Forward Haul	\$1.3098	\$0.0000	\$0.0000	\$0.0000
Monthly Backhaul	\$1.3098	\$0.0000	\$0.0000	\$0.0000
AOS				
Forward Haul	\$0.0000	\$0.0000	\$0.0431	\$0.0000
Backhaul	\$0.0000	\$0.0000	\$0.0431	\$0.0000

IT INTERRUPTIBLE TRANSPORTATION SERVICE Rate Schedule [1]

Forward Haul	\$0.0000	\$0.0000	\$0.0431	\$0.0000
Backhaul	\$0.0000	\$0.0000	\$0.0431	\$0.0000

FUEL RETAINAGE PERCENTAGE [2]: 0.00%, consisting of the following components:

 Base Fuel Retainage Percentage: 0.00%

 Fuel Retainage Percentage True-Up Adjustment: 0.00%

ACA SURCHARGE [3]: Pipeline incorporates by reference the ACA Unit Charge published on the Commission's website at <http://www.ferc.gov> for the relevant fiscal year.

Expansion Facilities authorized by CP13-27, as amended by CP16-76: [1]

Currently Effective Rates:	Reservation Charge		Usage Charge	
	Maximum	Minimum	Maximum	Minimum

FT FIRM TRANSPORTATION SERVICE Rate Schedule

Monthly Forward Haul	\$1.5687	\$0.0000	\$0.0000	\$0.0000
Monthly Backhaul	\$1.5687	\$0.0000	\$0.0000	\$0.0000
AOS				
Forward Haul	\$0.0000	\$0.0000	\$0.0516	\$0.0000
Backhaul	\$0.0000	\$0.0000	\$0.0516	\$0.0000

IT INTERRUPTIBLE TRANSPORTATION SERVICE Rate Schedule

Forward Haul	\$0.0000	\$0.0000	\$0.0516	\$0.0000
Backhaul	\$0.0000	\$0.0000	\$0.0516	\$0.0000

FUEL RETAINAGE PERCENTAGE [2]: 0.22%, consisting of the following components:

 Base Fuel Retainage Percentage [4]: 0.22%

 Fuel Retainage Percentage True-Up Adjustment: 0.00%

ACA SURCHARGE [3]: Pipeline incorporates by reference the ACA Unit Charge published on the Commission’s website at <http://www.ferc.gov> for the relevant fiscal year.

PARKING AND LENDING (PAL) SERVICE (ORIGINAL AND EXPANSION FACILITIES)

Initial Rate (per Dth)		PAL Balance Rate (per Dth)		Completion Rate (per Dth)	
Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
0.0516	\$0.0000	\$0.0516	\$0.0000	\$0.0516	\$0.0000

-
- [1] IT Interruptible Transportation Service and AOS on the Original Facilities shall be deemed to be any natural gas transportation under Rate Schedule IT that flows from a south to north direction on Pipeline’s mainline system and nominations specifying a receipt point at Pipeline’s interconnection with TETCO-CIP and TENN-CIP. IT Interruptible Transportation Service and AOS on the Expansion Facilities shall be deemed to be any natural gas transportation under Rate Schedule IT that flows from a north to south direction on Pipeline’s mainline system, excluding nominations specifying a receipt point at Pipeline’s interconnection with TETCO-CIP and TENN-CIP.
 - [2] All Shippers shall pay a Fuel Retainage Percentage surcharge as set forth in GT&Cs Section 8.22, except for Backhaul service and service under Rate Schedule PAL. Separate Base Fuel Retainage Percentages and Fuel Retainage Percentage True-Up Adjustments shall be determined under GT&Cs Section 8.22 for service through the Original Facilities and for service through the Expansion Facilities. This Fuel Retainage Percentage shall be in addition to the rate(s) specified above.
 - [3] All Shippers shall pay an ACA surcharge as set forth in GT&Cs Section 8.24. This surcharge shall be in addition to the rate(s) specified above.
 - [4] *Cameron LNG, LLC and Cameron Interstate Pipeline, LLC, Order Granting Authorization Under Section 3 of the Natural Gas Act and Issuing Certificate, 147 FERC ¶61,230, P 46 (2014).*

5.0 FIRM TRANSPORTATION SERVICE

5.1 AVAILABILITY

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

5.2 APPLICABILITY AND CHARACTER OF SERVICE

5.2.1 This rate schedule shall apply to firm transportation service rendered by Pipeline for Shipper pursuant to Part 284 of the FERC's regulations and pursuant to the Service Agreement for transportation service under Rate Schedule FT. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

5.2.2 Service hereunder is available on any Gas Day and will be firm, except as provided herein, in the effective Service Agreement and in Pipeline's GT&Cs.

5.2.3 Pipeline will receive for Shipper's account for transportation hereunder daily quantities of gas up to Shipper's Maximum Daily Transportation Quantity ("MDTQ"), plus an amount reflecting the Fuel Retainage Percentage as determined in GT&Cs Section 8.22, at the Receipt Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs. Such MDTQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Shipper's account such quantities tendered to Pipeline, on a daily basis up to Shipper's MDTQ, at the Delivery Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs.

5.2.4 Authorized Overrun Service ("AOS") may be available to Shippers that have executed Firm Transportation Agreements. Pipeline will determine the amount of capacity that is available for AOS, which will vary depending on a number of factors. For quantities of gas received under AOS, Shippers shall be responsible for an amount reflecting the Fuel Retainage Percentage as determined in GT&Cs Section 8.22.

5.2.5 Pipeline shall not be obligated to construct, modify or add any facilities to expand the capacity of its pipeline system in any manner or otherwise in order to provide transportation services to Shipper pursuant to this Rate Schedule; provided, however, Pipeline may, at its option, add facilities or expand capacity to provide such service, and, provided, further, Pipeline

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

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

5.3 RATES AND CHARGES

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

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

5.4 RECEIPT AND DELIVERY POINTS

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

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

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

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

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

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

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

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

5.5 IMBALANCES

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

5.6 SYSTEM INTEGRITY

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

5.7 FACILITIES

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

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

5.8 GOVERNMENTAL AUTHORIZATIONS

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

5.9 GENERAL TERMS AND CONDITIONS

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

6.0 INTERRUPTIBLE TRANSPORTATION SERVICE

6.1 AVAILABILITY

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

6.2 APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

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

6.3 RATES AND CHARGES

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

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

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

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

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

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

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

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

6.4 RECEIPT AND DELIVERY POINTS

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

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

6.5 IMBALANCES

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

6.6 SYSTEM INTEGRITY

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

6.7 GOVERNMENTAL AUTHORIZATIONS

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

6.8 GENERAL TERMS AND CONDITIONS

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

7 PARKING AND LENDING (PAL) SERVICE

7.1 AVAILABILITY

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

7.2 APPLICABILITY AND CHARACTER OF SERVICE

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

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

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

7.3 RATES AND CHARGES

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

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

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

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

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

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

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

7.4 OPERATIONAL REQUIREMENTS

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

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

7.5 SYSTEM INTEGRITY

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

7.6 GOVERNMENTAL AUTHORIZATIONS

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

7.7 GENERAL TERMS AND CONDITIONS

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

8.1 DEFINITIONS

British Thermal Unit ("Btu") shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 Fahrenheit to 59.5 Fahrenheit at a constant pressure of 14.73 dry psia.

Business Day shall mean Monday through Friday excluding federal banking holidays for transactions in the U.S. Pipeline's Business Days shall be shown on a calendar posted on the Pipeline's Internet Web Site.

Capacity Path shall mean a transportation path from a Primary Receipt Point to a Primary Delivery Point as established by the executed Service Agreement or otherwise specified in the notice of capacity release pursuant to GT&Cs Section 8.11.

CCT shall mean Central Clock Time, which includes the recognition of Daylight Savings Time.

Commission shall mean the Federal Energy Regulatory Commission ("FERC") or any successor regulatory authority having jurisdiction over Pipeline.

Cubic Foot (or Feet) shall mean the quantity of natural gas, which occupies one cubic foot of volume at the volumetric measurement base, which shall be one cubic foot of natural gas at a pressure base of 14.73 pounds per square inch absolute, a temperature base of 60°F, and without adjustment for water vapor content.

Daily Allocation shall mean the process where the allocating party performs the allocation process following each Gas Day. NAESB Definition 2.2.5.

Daily Gas Index Price shall mean the simple average of: (1) Natural Gas Intelligence Gas Price Index, "Louisiana", "Average", "Transco St. 65" for the week in which the Gas Day occurs, (2) Platts Gas Daily, "Louisiana-Onshore South", "Midpoint", "Transco, Zone 3", for the Gas Day (3) Natural Gas Intelligence Gas Price Index, "Louisiana", "Average", "Trunkline W. LA" for the week in which the Gas Day occurs, and (4) Platts Gas Daily, "Louisiana-Onshore South", "Midpoint", "Trunkline, WLA" for the Gas Day. If no index for a Gas Day is published, the price will be computed as the average of the applicable indices on the Index Publication Date preceding and the Index Publication Date following such Gas Day. The Index Publication Date is the date on which the publication is published. In the event that an index ceases to be published, the Parties shall agree on a replacement index.

Date of Commencement of Service shall mean the date on which Pipeline is ready, willing and able to provide service and all contractual conditions to the commencement of service have been satisfied.

Dekatherm ("Dth") shall mean the quantity of heat energy which is equivalent to one million British Thermal Units. One "dekatherm" of gas shall mean the quantity of gas which contains one dekatherm of heat energy.

Delivery Point shall mean a point at which the gas leaves the Pipeline's system completing the

transportation service transaction between the Pipeline and Shipper.

Fuel Retainage Percentage ("FRP") shall mean the percent of gas recovered to be used for fuel, including compressor and heater fuel; gas used for maintenance; gas lost, gas for which the ownership cannot be reasonably identified; and unaccounted for gas. The Fuel Retainage Percentage shall be determined in accordance with GT&Cs Section 8.22.

Gas Day shall mean a period of twenty-four (24) consecutive hours, beginning at 9:00 a.m. CCT.

GT&Cs shall mean the General Terms and Conditions of Pipeline's FERC Gas Tariff, as effective from time to time.

Internet Web Site shall mean Pipeline's interactive electronic web site established and maintained by Pipeline in accordance with the NAESB standards, in order to conduct daily business transactions between the Pipeline and Shippers.

Long Term Service Agreement shall mean a Service Agreement with a primary term of twelve months or more from the effective date of the Service Agreement.

Maximum Daily Delivery Quantity ("MDDQ") shall mean for each Delivery Point, the maximum quantity of gas, which Pipeline is obligated to deliver for Shipper's account on any given Gas Day at the Delivery Point. The MDDQ shall be specified on Exhibit B to the Service Agreement between Pipeline and Shipper for each Delivery Point. The MDDQ shall be exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Percentage. The aggregate of the MDDQ's for all Delivery Points in a Shipper's Service Agreement shall not exceed one hundred percent (100%) of Shipper's MDTQ in such Service Agreement.

Maximum Daily Receipt Quantity ("MDRQ") shall mean for each Receipt Point, the maximum quantity of gas, which Pipeline is obligated to accept for transportation for Shipper's account on any given Gas Day at the Receipt Point. The MDRQ shall be specified on Exhibit A to the Service Agreement between Pipeline and Shipper for each Receipt Point. The MDRQ shall be exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Percentage. The aggregate of the MDRQ's for all Receipt Points in a Shipper's Service Agreement shall not exceed one hundred percent (100%) of Shipper's MDTQ in such Service Agreement.

Maximum Daily Transportation Quantity ("MDTQ") shall mean the maximum daily quantity of gas exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Percentage that (a) Shipper may tender for transportation in the aggregate to all Receipt Points, and (b) Pipeline is obligated to deliver in the aggregate to all Delivery Points.

Mcf shall mean one thousand (1,000) Cubic Feet of gas.

MMBtu shall mean one million Btu. One MMBtu equals one Dekatherm.

Month shall mean the period beginning at 9:00 a.m. CCT, on the first day of a calendar Month, and ending at the same hour on the first day of the next succeeding calendar Month.

Monthly Allocation shall mean the process where the allocating party performs the allocation process at the end of the monthly flow period. NAESB Definition 2.2.4.

NAESB shall mean the North American Energy Standards Board.

NAESB Standards shall mean the standards issued by NAESB and adopted by the Commission for use by transmission providers such as Pipeline.

Negotiated Rate shall mean a rate that Pipeline and Shipper have agreed will be charged under a Service Agreement where, for all or a portion of the agreement term, one or more of the individual components of such rate may exceed the maximum rate for such component set forth in Pipeline's Tariff, be lower than the minimum rate for such component set forth in Pipeline's Tariff, or be based upon a different rate design than the rates applicable to that service under Pipeline's Tariff.

Nomination Period shall mean a period of time that Shipper includes in a nomination for gas service.

Operational Flow Orders ("OFOs") shall mean an order or orders issued to alleviate conditions, including those which threaten the safe operations or system integrity of Pipeline's system or to maintain operations required to provide efficient and reliable firm service. Whenever Pipeline experiences these conditions, any pertinent order shall be referred to as an OFO. A list of Pipeline's current types of OFOs are set forth in GT&Cs Section 8.9.

Pipeline shall mean the Cameron Interstate Pipeline, LLC. Such term expressly excludes any entity that is an affiliate of Pipeline.

Primary Delivery Point shall mean a Delivery Point specified in a Service Agreement under a firm transportation rate schedule, at which Shipper has a firm MDDQ.

Primary Receipt Point shall mean a Receipt Point specified in a Service Agreement under a firm transportation service rate schedule, at which Shipper has a firm MDRQ.

Receipt Point shall mean the location at which gas enters Pipeline's system from an upstream plant, upstream facilities of an LNG terminal, or upstream pipeline interconnect.

Recourse Rate is defined in Section 8.27 of the General Terms and Conditions of Pipeline's Tariff.

Request Date shall mean the date on which a Service Request is deemed valid under GTCS Section 8.2.

Secondary Delivery Point shall mean a Delivery Point other than a Primary Delivery Point or a Primary Delivery Point to the extent of any quantity in excess of Shipper's MDDQ.

Secondary Receipt Point shall mean a Receipt Point other than a Primary Receipt Point or a Primary Receipt Point to the extent of any quantity in excess of Shipper's MDRQ.

Service Agreement shall mean the Service Agreement executed by the Shipper and Pipeline or otherwise made effective and any exhibits, attachments and/or amendments thereto for transportation and/or other services pursuant to Pipeline's tariff, including a Negotiated Rate Service Agreement.

Service Request shall mean a request for service which meets the requirements of GT&Cs Section 8.2.

Shipper shall mean an entity that has executed a Service Agreement in the form contained in this Tariff, providing for the transportation of gas and/or other services by Pipeline.

Short Term Service Agreement shall mean a Service Agreement with a primary term of less than twelve months from the effective date of the Service Agreement.

Standards of Conduct shall mean those standards of conduct for transmission providers issued by the Commission that apply to Pipeline.

Swing PDA shall mean the predetermined allocation methodology ("PDA") used to allocate gas flow among scheduled line item nominations at a point where one of the scheduled line items, or alternatively a separate contract, is designated as the "Swing." All other scheduled line items are allocated the scheduled quantity. The line item(s) identified as "Swing" are allocated the remaining difference between the total quantity to be allocated and quantities allocated to non-Swing line items, in accordance with the instructions provided with the PDA. The Swing line item(s)/contract is not permitted to be allocated a quantity that would result in a negative number; therefore, any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.

Tariff shall mean Pipeline's FERC Gas Tariff, including but not limited to rate schedules, GT&Cs and forms of agreements, as may be revised and effective from time to time.

Title Transfer Tracking Service Provider shall mean a party conducting the title transfer tracking activity.

Total Heating Value shall mean the number of British Thermal Units produced by the complete combustion with air, of one dry cubic foot of natural gas at a constant pressure of 14.73 psia, and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature, and the water formed by combustion is condensed to the liquid state.

Transportation Service Provider shall mean Pipeline.

8.2 SERVICE REQUESTS, CONTRACTING FOR SERVICE AND CREDIT REQUIREMENTS

- 8.2.1 Shippers seeking service from Pipeline must submit a request for service in the form set forth herein and containing the information described herein. No bids will be accepted for any open season, or for capacity posted on the Pipeline's Internet Web Site, no Service Agreement will be tendered by Pipeline, and gas will not be scheduled for receipt and delivery until Shipper has a completed a Service Request form and Shipper's credit evaluation pursuant to GT&Cs Section 8.2.5 is found to be satisfactory to Pipeline. In the event Pipeline determines that Shipper's request for service does not comply with this Section 8.2 or that Shipper's credit evaluation does not comply with GT&Cs Section 8.2.5, Pipeline shall notify Shipper of the deficiencies and the additional information or changes required to complete the Service Request. Shipper shall have the right for a period of ten days after such notice to supplement Shipper's Service Request as required to comply with this Section 8.2. If Shipper's Service Request, as supplemented within said ten days after such notice, is satisfactory, then Shipper's original Service Request date shall be utilized. If Shipper's Service Request, as supplemented within said ten days, remains incomplete and deficient, then Shipper's Service Request shall be deemed void.
- 8.2.2 If Shipper's Service Request and credit evaluation comply with these GT&Cs, Pipeline will tender a Service Agreement to Shipper. In the event the Service Agreement is not executed by Shipper and returned within fifteen days after Pipeline tendered the Service Agreement, Pipeline shall consider the Service Request invalid and the Service Agreement shall be void and Pipeline shall refund any prepayment paid or return any security given by Shipper pursuant to GT&Cs Section 8.2.
- 8.2.3 All transportation Service Requests shall be subject to the following conditions:
- (a) No Service Request for transportation from any Receipt Point(s) or to any Delivery Point(s) shall be considered valid or be granted if to do so would impair Pipeline's ability to render existing services pursuant to Pipeline's firm service rate schedules.
 - (b) Subject to the provisions of (a) above, amendments to any firm Service Agreement or exhibit to add any additional Primary Receipt Point(s) or Primary Delivery Point(s) pursuant to an applicable firm rate schedule will not be considered a new transaction for purposes of complying with this Section 8.2. Any Shipper receiving permission from Pipeline to use any new

Primary Receipt Point(s) or new Primary Delivery Point(s) shall be deemed to have complied with the requirements of this Section 8.2 for purposes of receiving priority in contracting for such new Receipt Primary Point(s) or new Primary Delivery Point(s) for a firm MDRQ or MDDQ over any third party subsequently requesting firm transportation under a firm rate schedule at such Primary Receipt Point(s) or Primary Delivery Point(s) if, at the time of Shipper's request, said third party's request has not been accepted by Pipeline. The priority for such new Primary Receipt Point(s) or Primary Delivery Point(s) shall be determined in accordance with this Section 8.2.

(c) Pipeline shall have no obligation to construct new facilities to provide transportation service to any new Delivery Point(s) or from any new Receipt Point(s).

8.2.4 If requesting firm service, including service at discounted rates or Negotiated Rates, Shipper shall make a prepayment by wire transfer in an amount equal to the maximum reservation rate as stated in Section 4 of this Tariff for one Month's service at the levels specified in Shipper's Service Request. The prepayment shall be applied to the first Month's invoice or refunded in accordance with the applicable rate schedule. A successful bidder shall pay the applicable reservation payment for firm service awarded through an open season.

8.2.5 Creditworthiness. Pipeline shall not be required to (i) execute a Transportation Service Agreement providing for service under the applicable Rate Schedule for any Shipper who fails to meet Pipeline's standards for creditworthiness, or (ii) initiate service for a Shipper who fails to meet Pipeline's standards for creditworthiness, or (iii) continue transportation service for any Shipper who is or has become insolvent or who, at Pipeline's request, fails within a reasonable period to demonstrate creditworthiness pursuant to Pipeline's standards. For purposes herein, the determination of Shipper's creditworthiness shall be based upon: (i) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, Inc. or (ii) if Shipper is not rated by Standard & Poor's or Moody's rate methodology, criteria and ratios which are generally acceptable in the natural gas industry. In the event that Pipeline determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Pipeline, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios generally acceptable in the natural gas industry as published by the above rating

agencies from time to time.

Additionally, Pipeline may request from Shipper the following information, and Shipper shall provide the response in a time frame determined by Pipeline:

- (a) Shipper shall provide current financial statements (balance sheet, income statement and statement of cash or cash flow), annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Pipeline shall determine the acceptability of the Shipper's overall financial condition. If audited financial statements are not available, then Shipper's Chief Financial Officer should provide attestation that the information shown in the unaudited statement is true, correct and a fair representation of the Shipper's financial condition.
- (b) Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (a) above must show that Shipper's obligations are being paid on a prompt basis.
- (c) Shipper shall confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
- (d) Shipper shall confirm in writing that Shipper is not aware of any current or anticipated change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, the inability to exist as an ongoing business entity, or the inability to pay timely the rates and charges under its Service Agreement.
- (e) Shippers with an ongoing business relationship with Pipeline shall have had no delinquent balances outstanding during the previous twelve months for services rendered by Pipeline, and during that period Shipper must have paid its account according to the established terms and not made deductions or withheld payment

for claims not authorized by contract. If Shipper has an established credit history with Pipeline that meets the requirements set forth in this Section 8.2.5, no further credit appraisal shall be necessary for Shipper to satisfy Pipeline's creditworthiness requirements; provided however, if Shipper fails to maintain the requirements set forth in this Section 8.2.5, Pipeline may perform a full credit appraisal pursuant to this Section 8.2.5.

- (f) Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which could materially affect Shipper's ability to remain solvent as a business entity.
- (g) Shipper shall promptly notify Pipeline of any change in its financial condition, which may adversely affect its ability to pay Pipeline.

8.2.6 If Pipeline requests additional information to be used for credit evaluation after the initiation of service, Pipeline, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response should be sent. Pipeline and Shipper may mutually agree to waive this requirement. Upon receipt of either an initial or follow-up request from Pipeline for information to be used for creditworthiness evaluation, Shipper's authorized representative(s) shall acknowledge receipt of Pipeline's request. Pipeline and Shipper may mutually agree to waive the requirements of this standard. Shipper's authorized representative(s) shall respond to Pipeline's request for credit information, as allowed by these GT&Cs, on or before the due date specified in the request. Shipper shall provide all the credit information requested by Pipeline or provide the reason(s) why any of this requested information was not provided. Upon receipt from Shipper of all credit information provided hereunder, Pipeline shall notify Shipper's authorized representative(s) that it has received such information. Pipeline and Shipper may mutually agree to waive this requirement. Shipper shall designate up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information, pursuant to the applicable standards and shall provide to Pipeline the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses are to be provided via internet e-mail, unless otherwise agreed to by the parties. The obligation of Pipeline to provide creditworthiness notification is waived until the above requirement on designation of representatives has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received. Pipeline shall designate, on its internet website or in written notices to Shipper, the internet e-mail addresses of up to two representatives who

are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Pipeline shall manage internal distribution of any such confirmations. In complying with the creditworthiness-related notifications pursuant hereto, Shipper and Pipeline may mutually agree to other forms of communication in lieu of internet e-mail notifications.

8.2.7 Upon notification by Pipeline that Shipper has failed to satisfy or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, or if guarantor fails to continue to satisfy the credit criteria, such Shipper will meet Pipeline's standards for creditworthiness if it elects to provide one of the following:

- (a) an advance deposit;
- (b) a standby irrevocable letter of credit issued by a bank to Pipeline's satisfaction;
- (c) security interest in collateral found to be satisfactory to Pipeline;
or
- (d) a guarantee, acceptable to Pipeline, by another person or entity which satisfies the credit appraisal criteria set forth in GT&Cs Section 8.2.5.

If Shipper obtains credit approval by providing an advance deposit or other credit instrument and then subsequently satisfies the credit criteria, Pipeline shall return to Shipper any such advance deposit with interest. Shipper shall continue to provide such advance deposit or credit instrument for a period of three Months following the termination of service, unless Shipper pays all of the amounts of any invoices for service as reasonably determined by Pipeline prior to that time.

For a Service Request on Pipeline's existing facilities, the amount of the advance deposit, standby irrevocable letter of credit, security interest or guarantee should at all times equal (a) for firm transportation service, three Months of reservation charges, and (b) for interruptible transportation service, three Months of projected usage charges, at the maximum applicable unit rate hereunder. For a Service Request for which Pipeline has agreed to construct new facilities, the amount of the advance deposit, standby irrevocable letter of credit, security interest or guarantee should at all times equal (a) where the new facilities will enable Pipeline to serve more than one shipper, the lesser of the following: (i) an amount equal to the reservation rate that will be payable by Shipper under

its transportation agreement multiplied by the maximum daily transportation quantity under such agreement for five years of service thereunder; (ii) an amount equal to the ratio of Shipper's maximum daily transportation quantity under its transportation agreement to the total authorized capacity of the new facilities multiplied by the total capital expenditures with respect to such authorized transportation capacity; or (iii) the reservation rate payable by Shipper for the number of years remaining on the term of its transportation agreement; and (b) where the new facilities will enable Pipeline to serve only Shipper, the entire cost of the new facilities.

For a Service Request for which Pipeline has agreed to acquire Off-System Capacity to provide firm service to Shipper pursuant to GT&Cs Section 8.43, Pipeline may require credit assurance in an amount up to Shipper's proportionate share of the net present value of all future payments due to the Off-System Capacity provider for the acquired Off-System Capacity. Periodically, Pipeline will return to Shipper any credit assurance Shipper has provided to Pipeline for Off-System Capacity in amounts reflecting Pipeline's payment to the provider of Off-System Capacity, unless otherwise agreed by Pipeline and Shipper.

Termination or suspension of service and a Service Agreement does not affect the validity or requirement of a letter of credit or guarantee in effect at the time service is terminated or suspended.

If Shipper's or guarantor's credit standing ceases to meet Pipeline's credit requirements during the period of service, then Pipeline has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by Pipeline, then Pipeline is not required to continue service. If Pipeline suspends service for lack of creditworthiness, Shipper will remain obligated to pay reservation charges to the extent authorized by Commission policy or Commission order at that time. If Shipper is unable to maintain credit approval, the executed Service Agreement shall terminate upon 30 days' written notice to Shipper. Pipeline retains the right to pursue additional remedies, enforce any rights and affect any collection due to Pipeline.

- 8.2.8 At any time after Shipper is determined to lack creditworthiness by Pipeline, Shipper may initiate a creditworthiness re-evaluation by Pipeline. Such re-evaluation shall be performed consistent with GT&C Sections 8.2.5 through 2.7. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Pipeline related to Shipper's creditworthiness. Such update should include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. After Pipeline's receipt of Shipper's request for re-evaluation, including all required information

specified above, within five (5) Business Days, Pipeline shall provide a written response to Shipper's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for Pipeline's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed (20) Business Days from the date of the receipt of Shipper's request unless specified in this tariff or if the parties mutually agree to some later date.

8.3 POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF INTERCONNECT FACILITIES

8.3.1 Shippers may request that Pipeline construct interconnect facilities to deliver or receive gas to or from one or more Shippers. Pipeline will assess each request for interconnect facilities in a manner that is not unduly discriminatory. Pipeline is not required to build facilities upon Shipper request or otherwise if, as determined by Pipeline in its reasonable judgment, such facilities are not operationally feasible (construction and operation of the facilities would create a significant operational problem for Pipeline, would adversely impact Pipeline's existing services or would otherwise adversely impact Pipeline's system), or would result in a violation of environmental or safety laws or right-of-way agreements. In the event Pipeline decides to construct such facilities, Shipper shall reimburse Pipeline for all reasonable costs incurred to design, construct, own, operate and maintain the interconnect facilities. Such costs shall include: (a) the costs of such facilities installed by Pipeline to receive, measure, transport or deliver natural gas for Shipper's account, (b) any and all filings and approval fees and (c) all applicable taxes (including income taxes required in connection with such construction) that Pipeline is obligated to pay to any governmental authority having jurisdiction.

8.3.2 Pipeline may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in GT&Cs Section 8.3.1 if it determines that construction of the facilities would be economic, based on Shipper contracts for firm transportation service through the proposed facilities and other matters, as described below.

All requests for waiver shall be handled by Pipeline in a manner which is not unduly discriminatory. For purposes of determining whether a project is economic, Pipeline will evaluate projects on the basis of various economic criteria, which may include, without limitation, the estimated firm transportation demand subscribed under long-term contracts, cost of the facilities, operation and maintenance, applicable taxes, administrative and general expenses attributable to the facilities, the system net revenues Pipeline estimates will be generated subsequent to such construction, depreciation, return on investment and the availability of capital funds on terms and conditions acceptable to Pipeline. In estimating the system net revenues to be generated, Pipeline will evaluate the revenue generated from Long Term Service Agreements for firm transportation and other system benefits.

8.3.3 Any monetary reimbursement due Pipeline by Shipper pursuant to this Section 8.3 shall be due and payable to Pipeline within ten (10) Days of

receipt by Shipper of Pipeline's invoices for same; provided, however, subject to Pipeline's written consent such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of the Service Agreement between Pipeline and Shipper.

- 8.3.4 Nothing in this statement of policy shall require Pipeline to file an application to build or modify facilities or to render service. Further, nothing in this policy statement shall prevent Pipeline from contesting an application for service or a request to compel the rendition of service filed at the Commission. Pipeline reserves the right to seek a waiver of the policies set forth in this Section 8.3 for good cause shown during any proceeding before any duly constituted regulatory authority.
- 8.3.5 Nothing in this Tariff shall require Pipeline to file an application for a certificate of public convenience and necessity with the Commission. Further, nothing in this Tariff prevents Pipeline from contesting an application for service filed with the Commission.

8.4 ALLOCATION OF FIRM CAPACITY ENTITLEMENTS AND RIGHTS OF FIRST REFUSAL

8.4.1 Process for Posting Existing Firm Capacity

- (a) *Generally.* In the event a firm service agreement is not extended pursuant to the provisions of Section 8.4.2 below, or if existing capacity becomes available for any other reason, such capacity will initially be made available in an open season provided that it is not been previously committed and capacity remains available. Capacity that remains unsubscribed after an open season shall be posted as available unsubscribed capacity on Pipeline's Internet Website. Pipeline will have the authority to accept a valid request for service for such capacity on a first-come, first-served basis without reposting that capacity in an open season or to conduct any additional open seasons to solicit interest in the unsubscribed capacity.

- (b) *Request for Capacity Not Previously Posted and Contents of Open Season Posting.* If Pipeline receives an otherwise valid request for service for capacity that has or will become available but has not been posted on its Internet Website as available unsubscribed capacity, before Pipeline may award that capacity to the Shipper who submitted the request, Pipeline shall post that capacity in an open season pursuant to the open season procedures set forth in the applicable provisions of Section 8.4.1 and Section 8.4.3 through Section 8.4.6, including but not limited to a Prearranged Open Season procedure under Section 8.4.1(g). All postings for an open season will contain:
 - (i) the type of service that is available,
 - (ii) the dates and duration that the service will be available,
 - (iii) the Receipt and Delivery Point(s) of the available capacity and available capacity at each such point,
 - (iv) any other information that Pipeline determines to be relevant, and
 - (v) the first and last day of the open season.

- (c) *General Limitation on Commencement of Service.* Unless otherwise agreed to by Pipeline as specified in this Section 8.4.1(d), a Shipper can request available capacity for a future start date only within the following periods:

- (i) For service for one year or longer, the requested service must commence no later than ninety (90) days from the date the request is granted;
 - (ii) For service for greater than ninety-two (92) days but less than one year, the requested service must commence no later than thirty (30) days from the date the request is granted; and
 - (iii) For service for ninety-two (92) days or less, the request must be for service starting no later than five (5) days from the date the request is granted.
- (d) *Sales of Capacity Commencing Outside of General Timeframe.* Pipeline may conduct an open season that allows service to commence at dates later than those set forth in Section 8.4.1(c). Any such open season, including an open season conducted pursuant to Section 8.4.1(h), will define permissible commencement dates. Pipeline may, but is not required to, accept a future commencement of service date that varies from the periods specified in the open season notice. In addition, unless otherwise agreed to by Pipeline, all awards of capacity must be for continuous service for the entire term of the service agreement. Any deviations from these time periods or minimum terms shall be done in a not unduly discriminatory manner consistent with Commission regulations.
- (e) *Length of Open Season Postings.* For capacity posted under an open season, the open season shall be posted for at least the following periods:
 - (i) Five (5) Business Days for firm capacity that will be available for a term of twelve (12) months or longer;
 - (ii) Three (3) Business Days for firm capacity that will be available for a term of at least five (5) but less than twelve (12) months;
 - (iii) One (1) Business Day for firm capacity that will be available for a term of less than five (5) months but greater than thirty-one (31) days; and
 - (iv) Four (4) hours for firm capacity that will be available for a term of thirty-one (31) days or less.
- (f) *Priority of Flexible Point Requests in an Open Season.* With regard to the newly available capacity subject to bidding under the

terms of this Section 8.4.1, acceptable bids under this Section that satisfy Pipeline's stated minimum terms and conditions shall have priority over any potential claims for that capacity under the flexible receipt and delivery point authority described at Section 5.4 of Rate Schedule FT and GT&Cs Section 8.2.3(b).

- (g) *Prearranged Sales of Capacity.* Pipeline may, on a not unduly discriminatory basis, enter into a prearranged service agreement with a Shipper for any capacity that is or becomes available ("Prearranged Agreement"). Pipeline will post any Prearranged Agreement on its Internet Website for bidding prior to finalizing any award of capacity ("Prearranged Open Season"). Prearranged Agreements will be deemed binding on Shippers. The NPV of any bids in a Prearranged Open Season will be determined in accordance with Section 8.4.4(b). If Pipeline receives a bid that exceeds the NPV of the Prearranged Agreement, Pipeline will notify the Shipper with the Prearranged Agreement within one (1) hour after the close of the open season. The Shipper under the Prearranged Agreement must notify Pipeline within one (1) Business Day of its election to either match the bid with the highest NPV or terminate the Prearranged Agreement. The highest rate that Shipper under the Prearranged Agreement must match to receive service under the Prearranged Agreement is the recourse rate. If the Shipper with the Prearranged Agreement elects to match the bid, all of the capacity will be awarded to the Shipper with the Prearranged Agreement. If the Shipper with the Prearranged Agreement elects not to match a higher competing bid, the capacity will be awarded to the Shipper with the highest bid in the Prearranged Open Season and Pipeline will have no further obligations under the Prearranged Agreement. In accordance with Section 8.4.5, all bids in a Prearranged Open Season are binding and a Shipper with an unmatched higher bid must execute a Service Agreement consistent with the terms of its bid within three (3) Business Days of receiving notice of its award of capacity under this provision.
- (h) *Future Sales of Capacity and Interim Capacity.* Consistent with Section 8.4.1(d), Pipeline may conduct an open season to sell the following types of capacity with a service commencement date that begins immediately or at any time in the future: (i) any available unsubscribed capacity; (ii) any capacity under expiring or terminating service agreements where such agreements do not have a Right of First Refusal or for which Shipper does not exercise its Right of First Refusal; or (iii) any capacity that becomes available due to modification, construction, or acquisition of facilities in accordance with the Commission's blanket certificate regulations. If Pipeline sells such capacity in a

Prearranged Open Season pursuant to Section 8.4.1(g) with a future service commencement date, the posting provisions of this Section 8.4.1 will apply to the sale of capacity on an interim basis. Where the requested service commencement date extends more than one (1) year into the future and the interim capacity would otherwise be eligible for a Right of First Refusal under Section 8.4.2, Pipeline will limit the Right of First Refusal associated with that interim capacity commensurate with the future service commencement date. If a Shipper's Right of First Refusal is limited by operation of this subsection, the transportation service agreement will note the limitation. Pipeline will indicate in any open season posting of the interim capacity any limitations on the Right of First Refusal or extension rights that will apply to such limited-term transportation service.

8.4.2 Extension of Long Term Service Agreement and Right of First Refusal.

- (a) *Negotiation of Extensions and Restructuring of Contracts Prior to Expiration.* Notwithstanding the automatic extension provision set forth in Section 8.4.2(b), before the expiration of the term of any Service Agreement for firm service and before Pipeline posts the availability of capacity pursuant to the Right of First Refusal provisions, if applicable, Pipeline and Shipper may: (1) mutually agree to an extension of the term of the Service Agreement (the exact length and rate of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner) or (2) mutually agree to renegotiate the terms of such Service Agreement(s) in exchange for Shipper's agreement to extend the use of at least part of its existing service under a restructured Service Agreement(s) (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). To the extent that a Service Agreement is extended or renegotiated pursuant to this Section 8.4.2(a) or extended automatically pursuant to Section 8.4.2(b), Pipeline shall only be required to comply with the Right of First Refusal process set forth in Section 8.4.2(c) to the extent the extended Service Agreement qualifies for a Right of First Refusal under this Section 8.4.2.

- (b) *Automatic Extension of Long Term Service Agreements.* Unless Shipper gives at least twelve (12) months prior written notice to Pipeline to terminate the Long Term Service Agreement or to request a lesser extension term, the Service Agreement will automatically extend upon the expiration of the primary term for a term of five years; provided that Pipeline and Shipper may mutually negotiate on a not unduly discriminatory basis a notice period that differs from the twelve (12) month period specified in

this Section 8.4.2(b) or to waive the automatic extension provision. If a Shipper gives written notice to extend its Long Term Service Agreement, or any portion of its contract quantity thereunder, for less than the 5-year automatic extension period, then Pipeline, at its option and in a manner, which is not unduly discriminatory, may accept Shipper's requested extension period. Alternatively, Pipeline will make the capacity under such agreement available in accordance with the Right of First Refusal open season procedures of Section 8.4.2, if shipper is entitled to a Right of First Refusal, or under the terms of Section 8.4.1 if Shipper is not entitled to or elects not to exercise a Right of First Refusal. Shipper's election to terminate its Long Term Service Agreement provided to Pipeline under this Section 8.4.2(b) or Pipeline's rejection of Shipper's request for an extension period shorter than twelve (12) months shall be without prejudice to any Right of First Refusal to which Shipper may be entitled.

- (c) *Right of First Refusal Procedure.* If Pipeline provides written notice to Shipper to terminate any Long Term Service Agreement for firm transportation at the maximum tariff rate or if Shipper provides Pipeline written notice no later than one hundred and eighty (180) days prior to the expiration of any Long Term Service Agreement for firm transportation at the maximum tariff rate of Shipper's intention to initiate the Right of First Refusal process specified in this Section 8.4.2, Shipper will have a Right of First Refusal to retain such firm capacity by complying with the bidding procedures in this Section 8.4. If Shipper notifies Pipeline of its intent not to participate in the Right of First Refusal process at any time prior to the posting of a Right of First Refusal open season or if Shipper or a competing bidder does not retain or acquire such firm capacity during the Right of First Refusal bidding process, such firm capacity will be allocated under GT&Cs Section 8.4.1. A Right of First Refusal does not attach to: (i) capacity for which a Shipper provides written notice to Pipeline of its intention not to exercise its Right of First Refusal; (ii) any Short Term Service Agreement; (iii) an interruptible Service Agreement; or (iv) unless otherwise agreed to by Pipeline on a not unduly discriminatory basis, a Service Agreement with a Discounted Rate pursuant to GT&Cs Section 8.28 or Negotiated Rate pursuant to GT&Cs Section 8.27. The following procedures shall apply to the Right of First Refusal process:
- (i) Pipeline shall post the capacity for bidding on its Internet Web Site no earlier than one hundred and eighty (180) days prior to the expiration of the current Service Agreement. Pipeline shall provide thirty (30) days prior written notice to Shipper of the date the capacity will be

posted. The capacity will remain posted on the Pipeline's Internet Web Site for a minimum of twenty (20) days with such posting containing the information set forth in GT&Cs Section 8.4.1(b).

- (ii) All bids submitted during the open season shall be submitted to Pipeline electronically through the Pipeline's Internet Web Site. Upon conclusion of the bidding period, Pipeline shall evaluate the bids in accordance with GT&Cs Section 8.4.3.
- (iii) If Pipeline is willing to accept a bid, Pipeline shall, no later than 15 days after the close of the bidding period, notify Shipper of the bid having the highest Net Present Value ("NPV"). Shipper shall have ten (10) days after receiving notice to notify Pipeline as to whether it will match the bid having the highest NPV. Shipper may elect to match the NPV of the highest bid for all or only a volumetric (but not geographic) portion of the open season capacity. If the Shipper elects to exercise its Right of First Refusal to match the bid with the highest NPV for the applicable volume, it must execute a new Service Agreement containing the terms Shipper submitted to match the NPV of the bid with the highest NPV, which new Service Agreement shall succeed the prior agreement following its expiration; provided, however, that Shipper shall not be required to pay any rate higher than the maximum applicable rate.
- (iv) If Shipper does not exercise its Right of First Refusal following the bidding procedure, Pipeline may execute a Service Agreement with the entity submitting the bid with the highest NPV.
- (v) If Pipeline receives no acceptable bids on the capacity, the Shipper may continue to receive service at the maximum rate for the term elected by the Shipper or such other rate and/or term as agreed to by Pipeline. A Shipper who continues service under such basis shall retain its Right of First Refusal only if the resulting agreement is a Long Term Service Agreement at the maximum tariff rate or as otherwise agreed to by Pipeline on a not unduly discriminatory basis.

8.4.3 Net Present Value Standard. Pipeline shall award capacity for bids received during the open season to Shippers that meet Pipeline's creditworthiness standards set forth in GT&Cs Section 8.2.5 and whose

bids, based upon Pipeline's determination, have the highest NPV. Except for open seasons conducted under the Right of First Refusal procedures set forth in Section 8.4.2(c), The NPV is the discounted cash flow of total incremental revenues to Pipeline produced, lost or affected by the requests for service and shall be based upon such factors as the rate, term, quantity, date on which the requested service is requested to commence, and other factors determined to be relevant by Pipeline and specified in the open season notice. The NPV calculated in a posting for bidding under the Right of First Refusal procedures set forth in Section 8.4.2(c) shall be the discounted cash flow per dekatherm to Pipeline produced from bids submitted to Pipeline and shall be calculated based upon the rate and term of such bids. The NPV for all open seasons shall also include only revenues generated by the reservation rate, or other form of revenue guarantee, as proposed by the bidder(s). For bidders proposing a reservation rate or other form of revenue guarantee which exceeds the recourse rate during all or any portion of the term proposed by the bidder, the NPV calculated for the bid may not exceed an NPV that is calculated assuming that the recourse rate shall be in effect during the full term proposed by the bidder, in place of the reservation rate(s) or other revenue guarantee(s) proposed by the bidder. For purposes of its NPV evaluation, Pipeline will consider the aggregate NPV of two or more bids for minimum bid packages, provided that the combined quantity of capacity under those packages do not exceed the maximum capacity available for subscription. Within three (3) Business Days after the close of the open season, Pipeline shall post a notice on its Interactive Website identifying the successful bidders, if any, along with the NPV analysis that it employed in determining the successful bid.

- 8.4.4 Rejected Bids. Pipeline reserves the right to reject any bid lower than the minimum acceptable bid for the capacity that is subject to the open season. Pipeline may set a reserve price which will be the minimum rate for the minimum acceptable bid; provided, however, if Pipeline elects to do so it will: (i) set such reserve price prior to the time of posting; and (ii) present such reserve price to a trustee to be held in escrow confidentially until the conclusion of the bidding process so as to demonstrate that such reserve price was established at the time of posting.

Irrespective of whether a bid has the highest NPV of the bids received, Pipeline may reject bids for service that: (i) may detrimentally impact the operational integrity of Pipeline's system; (ii) do not satisfy all the terms of the specified posting; (iii) contain terms and conditions other than those set forth in this Tariff; (iv) do not satisfy the Pipeline's creditworthiness criteria as set forth in GT&Cs Section 8.2.5; (v) contain contingencies that cannot be removed within a time frame acceptable to Pipeline; or (vi) result in incremental costs.

8.4.5 Binding Nature of Bids. All bids received during the open season remain binding on all bidders through the end of the open season unless withdrawn by the bidder through the same medium on which its bid was submitted; provided, however, a bidder may withdraw its previous bid and submit a bid with a higher NPV during the open season, but neither bidder (nor an affiliate of bidder) may submit a bid with a lower NPV. At the end of the open season, all bids either withdrawn by the bidder or not accepted by Pipeline shall become null and void.

8.4.6 Bid Tiebreaker. If Pipeline determines that two or more bidders have both submitted bids with the highest NPV, the tied bidders shall submit another round of bids within a timeframe established by Pipeline. The successful bidder shall be the bidder with the highest NPV after one additional round of bids. Additional bids shall not be lower than the original bids. If bids are still tied after a second round of bids, then the capacity shall be shared pro rata.

8.4.7 Open Seasons for Proposed Expansions. Pipeline may hold open seasons in connection with construction of facilities and may also conduct periodic open seasons for the purpose of evaluating market interest in expanding and/or extending Pipeline's transportation system. In conjunction with possible expansion of Pipeline's transportation system, Pipeline will also solicit offers for the permanent relinquishment of firm transportation capacity, which would reduce the need for additional facilities required for such expansion. Procedures and criteria for such solicitations of capacity will be developed prior to the event and posted on the Pipeline's Internet Web Site.

8.4.8 Abandonment Authority. Subject to this Section 8.4, upon the termination of a Service Agreement for firm or interruptible service, Pipeline will have all necessary authority to abandon or terminate such service without any requirement to make application with the Commission for such authority.

8.4.9 Reservation of Capacity for Future Expansions.

(a) Pipeline may elect to reserve for future expansion projects any available unsubscribed capacity or capacity under expiring or terminating service agreements where such agreements do not have a Right of First Refusal or Shipper does not exercise its Right of First Refusal.

(b) To reserve capacity for future expansion projects, Pipeline shall first make such capacity generally available to any Shipper or potential Shipper by posting such capacity for bidding through a "Capacity Reservation Open Season" for a time period of at least five (5) business days. The Capacity Reservation Open Season posting shall also conform to the bidding and capacity award

procedures of the applicable provisions of Section 8.4.1 and Section 8.4.3 through Section 8.4.6. This Capacity Reservation Open Season posting shall clearly state Pipeline's intention to reserve the capacity for the expansion project and shall contain the following information with respect to the capacity:

- (i) the daily and other applicable quantity of service available from each receipt point to each market area;
 - (ii) the Recourse Rate as set forth in this Tariff;
 - (iii) any applicable restrictions;
 - (iv) whether the capacity is subject to an existing Right of First Refusal;
 - (v) any minimum price or other terms applicable to the capacity; and
 - (vi) the date when bids are due to Pipeline.
- (c) When the Capacity Reservation Open Season is held prior to the expansion project open season conducted pursuant to Section 8.4.7, Pipeline shall have the right to state in the Capacity Reservation Open Season posting minimum terms and conditions for bids that would be acceptable for consideration that are the same as the minimum terms and conditions anticipated for the future expansion project open season. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the preceding Capacity Reservation Open Season, Pipeline shall hold another Capacity Reservation Open Season for the capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the Capacity Reservation Open Season, Pipeline shall use the same minimum terms and conditions as used for the expansion project open season. If Pipeline receives no bids meeting the minimum terms and conditions set forth in the Capacity Reservation Open Season, Pipeline may reserve the capacity for use in the expansion project.
- (d) Capacity may be reserved under this Section 8.4.9 for up to one year prior to the Pipeline filing for Natural Gas Act Section 7(c) certificate approval or prior notice authorization pursuant to Pipeline's blanket construction certificate for construction of the proposed expansion and thereafter until such expansion is placed into service. Pipeline may only reserve capacity for a future

expansion project for which an open season has been held or will be held within one (1) year of the date that Pipeline posts such capacity as being reserved. Any Reservation Capacity reserved pursuant to this section for an expansion project that does not go forward because Pipeline does not file any required application with the Commission within one (1) year from such reservation date, or because Pipeline ultimately does not receive authorization, shall be posted as unsubscribed capacity within 30 days of the date the capacity becomes available subject to then-existing interim commitments for the capacity.

- (e) Pipeline's posting for any capacity reserved under this Section shall include the following information and will make reasonable efforts to update the reservation posting to reflect material changes in the expansion project up to the in-service date of the expansion project:
 - (i) a description of the expansion project for which the capacity will be reserved;
 - (ii) the total quantity of capacity to be reserved;
 - (iii) the location of the proposed reserved capacity on the pipeline system;
 - (iv) whether, and if so, when Pipeline anticipates that an open season for the capacity will be held or it will otherwise be posted for bids under the expansion;
 - (v) the projected in-service date of the expansion projects; and
 - (vi) on a rolling basis, how much of the reserved capacity has been sold on a limited-term basis.

Any capacity reserved under this Section shall be made available for transportation or storage service pursuant to Pipeline's General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). Pipeline reserves the right to limit any Rights of First Refusal or other extension rights commensurate with the proposed in-service date of the expansion project.

8.5 NOMINATION PROCEDURE

Cameron Interstate Pipeline adopts NAESB WGQ Version 1.3.2 (i - vi) and supports the following standard nomination cycles (all times are in Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17).

8.5.1 Timely Nomination Cycle.

The standard nomination timeline is as follows: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by Pipeline (including from Title Transfer Tracking Service Providers ("TTTSPs")); 1:30 p.m. to provide Quick Response; 4:30 p.m. for receipt of completed confirmations by Pipeline from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Shipper and point operator (on the Gas Day prior to flow). Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

Pipeline shall have the right to refuse to receive or deliver any gas not timely and properly nominated. A standing nomination may be specified by Shipper to be effective for one or more Gas Days or months provided the nomination beginning and ending dates are within the term of Shipper's applicable Service Agreement. Pipeline shall not be liable to Shipper or any other person as a direct or indirect consequence of such refusal and Shipper shall indemnify Pipeline from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal unless such refusal was due to Pipeline's negligence

8.5.2 Evening and Intraday Nomination Cycles

Subsequent to the Timely Nomination Cycle, nominations will be scheduled in one of four "Cycles" and will be processed according to the following timelines:

- (a) Evening Nomination Cycle. Subsequent to the Timely Nomination Cycle, as described in GT&Cs Section 8.5.1, Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 9:00 a.m. on the following Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle described in GT&Cs Section 8.5.1 shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective

date and time. Evening Cycle nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day prior to gas flow.

The Evening Nomination Cycle deadlines are: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the Pipeline (including from TTTSPs); 6:30 p.m. to provide Quick Response; 8:30 p.m. for receipt of completed confirmations by Pipeline from upstream and downstream connected parties; 9:00 p.m. for Pipeline to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another service requester on Pipeline to receive notice that it is being bumped should be effective at the start of the next Gas Day; and when an Evening Nomination causes another service requester on Pipeline to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on Gas Day.

- (b) Intraday 1 Nomination Cycle. Subsequent to the Evening Nomination Cycle, as described in GT&Cs Section 8.5.2(a), Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 2:00 p.m. during the current Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle described in GT&Cs Section 8.5.1 shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday 1 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 1 Nomination Cycle deadlines are: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Pipeline (including from TTTSPs); 10:30 a.m. to provide Quick Response; 12:30 p.m. for receipt of completed confirmations by Pipeline from upstream and downstream connected parties; 1:00 p.m. for Pipeline to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to

bumped parties), (CCT on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on Gas Day.

- (c) Intraday 2 Nomination Cycle. Subsequent to the Intraday 1 Nomination Cycle, as described in GT&Cs Section 8.5.2(b), Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 6:00 p.m. during the current Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday 2 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 2 Nomination Cycle deadlines are: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by Pipeline (including from TTTSPs); 3:00 p.m. to send Quick Response; 5:00 p.m. for receipt of completed confirmations by Pipeline from upstream and downstream connected parties; 5:30 p.m. for Pipeline to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on Gas Day.

For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provide" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (d) Intraday 3 Nomination Cycle. Subsequent to the Intraday 2 Nomination Cycle, as described in GT&Cs Section 8.5.2(c), Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 10:00 p.m. during the current Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday

3 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. No scheduled shippers shall be bumped during the Intraday 3 Nomination Cycle. The nomination timeline shall be CCT on the day of gas flow.

The Intraday 3 Nomination Cycle deadlines are: 7:00 p.m. for nominations leaving control of the nominating party; 7:15 p.m. for receipt of nominations by Pipeline (including from TTTSPs); 7:30 p.m. to send Quick Response; 9:30 p.m. for receipt of completed confirmations by Pipeline from upstream and downstream connected parties; 10:00 p.m. for Pipeline to provide scheduled quantities to affected Shippers and point operators (CCT on the Gas Day). Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) Quick Response. Pipeline will provide a Quick Response, as defined by NAESB, to Shipper for each nomination received. Such Quick Response will serve only as notification of the receipt and validation of nomination information in accordance with NAESB Standards, but will not indicate whether the nomination will be confirmed or scheduled.

For Timely Nominations, the Quick Response will be provided to the nominating party by 1:30 p.m. CCT on the Gas Day the nomination is received. For Evening and Intraday Nominations, the Quick Response will be provided according to the following schedule: Evening Nomination Cycle - 6:30 p.m. CCT on the Gas Day; Intraday 1 Nomination Cycle - 10:30 a.m. CCT on the Gas Day; Intraday 2 Nomination Cycle - 3:00 p.m. CCT on the Gas Day; Intraday 3 Nomination Cycle - 7:30 p.m. CCT on the Gas Day.

- (f) Once all or a portion of the nomination of a Shipper that is paying for firm deliveries is accepted and scheduled for any Gas Day, said daily scheduled service shall not be interrupted unless curtailment is necessary pursuant to the provisions of GT&Cs Sections 8.9, 8.10 and 8.21.
- (g) If Pipeline bumps an interruptible Shipper's flowing nomination at a Receipt Point and/or Delivery Point, as a direct result of Pipeline's acceptance of an intraday nomination increase by a firm Shipper, then Pipeline will not also bump said Shipper's corresponding flowing delivery or receipt nominations for the remainder of that Gas Day even though an imbalance may be created; provided, however, that any imbalance penalty shall be

waived for the interruptible Shipper whose scheduled volumes are bumped by a firm intraday nomination, but shall be waived only for the Gas Day that such bumping occurs.

- (h) If Shipper submits a reduced intraday nomination below the level of gas that has already been received in Pipeline's system on a Gas Day, then Shipper has created an unauthorized daily overrun and imbalance subject to the allowable daily dispatching variations, and shall pay the applicable charges and penalties.
- (i) Pipeline's Internet Web Site shall provide the available capacity for each nomination cycle.

8.5.3 Nomination Information. With respect to Shipper's desired levels of service under firm and interruptible transportation Rate Schedules, a nomination made through electronic data interchange shall include all mandatory Commission-approved data elements; Shipper shall furnish Pipeline the following:

- (a) Shipper's Contract number and Package ID numbers. Package ID differentiates between discrete business transactions under a contract;
- (b) the desired Receipt Point(s) and Delivery Point(s), the corresponding daily quantities, and the schedule ranks;
- (c) the upstream contract and party who will deliver gas to Shipper, if applicable;
- (d) the begin and end dates upon which such transportation service is desired, provided the nomination begin and end dates are within the term of Shipper's contract; and
- (e) the sum of the quantities nominated at Receipt Point(s) less applicable Fuel Retainage Percentages shall equal the sum of the Quantities of gas nominated at Delivery Point(s) during the nomination period.

All nominations should be considered original nominations and should be replaced to be changed. Intraday nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled gas. When a nomination for a date range is received, each Gas Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Gas Days within that range, the previous nomination is superseded by the

subsequent nomination only to the extent of the Gas Days specified. The Gas Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

All nominations for transportation service must be made electronically through the Pipeline's Internet Web Site or by electronic data interchange in the format set forth in the NAESB Standards. However, in the event of a failure of electronic nomination communication equipment, Internet, or third party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to GT&Cs Section 8.21, Shipper may submit and Pipeline will accept written nominations, provided that such force majeure events are documented by an affidavit provided by Shipper to Pipeline within 24 hours of such event. Any such requests by Shipper for emergency treatment shall be handled on a not unduly discriminatory basis.

- 8.5.4 Shipper Prioritization of Nominated Quantities. If Shipper elects to nominate quantities of gas to be received by Pipeline from one or more upstream parties at one or more Receipt Point(s) for delivery by Pipeline to one or more downstream parties at one or more Delivery Point(s) for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated receipt quantity from a particular upstream party at a particular Receipt Point should be reduced in the event that any downstream operator verifies and confirms deliveries that are less than the Shipper's nominated deliveries or, in the event that, due to Pipeline's allocation of available capacity for transportation services, all nominated receipts cannot be scheduled. Likewise, if Shipper elects to nominate quantities of gas to be delivered by Pipeline to one or more downstream parties at one or more Delivery Point(s) for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated delivery quantity to a particular downstream party at a particular Delivery Point should be reduced in the event that any upstream operator verifies and confirms receipts that are less than the Shipper's nominated receipts or, in the event that, due to Pipeline's allocation of available capacity for transportation services, all nominated deliveries cannot be scheduled.
- 8.5.5 Nominations of Pooling Points. A Shipper may only submit an Aggregation Nomination as defined in GT&Cs Section 8.13.2 under its Pooling Service Agreement. A Shipper may only submit a Disaggregation Nomination as defined in GT&Cs Section 8.13.2 for transporting gas from a pool under its Service Agreement(s).
- 8.5.6 Upstream Confirmation Reductions. In the event that an upstream operating entity's confirmation, pursuant to GT&Cs Sections 8.4, 8.5.1

and/or 8.5.2, reduces the scheduled quantities and such reductions are made in aggregate for the Receipt Point(s), Pipeline shall reduce such quantities in a corresponding amount on Pipeline's system based upon Shipper's ranking. To the extent reductions in the confirmation process are applicable to a contract (or to transactions within a contract that are charged the same percentage of the maximum rate), Pipeline will use Shipper's provided schedule ranks (in accordance with NAESB defined data sets), or pro-rata if no ranks are provided by Shipper, to effectuate such reductions to the scheduled quantities.

Pipeline shall not allow reductions below the elapsed pro-rata scheduled quantity without the express consent of the affected party(s). Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. Elapsed-pro-rata scheduled quantity will apply to all nomination decreases submitted in the Intraday Nomination cycles.

- 8.5.7 Segmentation. Shipper may segment its capacity by nominating receipts or deliveries of gas on a primary point basis, subject to GT&Cs Sections 8.5, 8.6 and 8.11. Shipper may segment its capacity by nominating receipt or deliveries of gas at any available point on Pipeline's system on a secondary firm basis, subject to GT&Cs Sections 8.5, 8.6 and 8.11. Deliveries will be scheduled on a primary firm basis if utilizing Primary Receipt and/or Delivery Points within Shipper's Capacity Path and on a secondary firm basis if utilizing Secondary Receipt and/or Delivery Points outside Shipper's Capacity Path. Segmentation of capacity will be permitted to the extent the segmented capacity would not impair Pipeline's ability to render services pursuant to its FT Rate Schedule and is operationally feasible. The maximum quantity of gas that may be nominated on a segmented portion, or overlapping segmented portions, of Pipeline's system shall not exceed the MDTQ of the Service Agreement under which the nominated service is provided. Segmentation of capacity will be permitted utilizing both forward haul and backhaul services. A Shipper's segmented transaction may consist of a forward haul up to the Shipper's MDTQ and a backhaul up to Shipper's MDTQ to the same Delivery Point at the same time. If a Shipper's segmentation of its capacity results in overlapping segments of Pipeline's system, Shipper shall pay the applicable IT or AOS rate and applicable surcharges as set forth in Section 4 of this Tariff for the capacity on an overlapping segment(s).

8.6 SCHEDULING PROCEDURE

Service is deemed scheduled after Shipper submits a nomination in accordance with GT&Cs Section 8.5 and Pipeline confirms the nominated receipt of gas into the system and the nominated delivery of gas to Shipper, or for Shipper's account. Until Pipeline has informed Shipper that its nomination, whether monthly, daily, or intraday, is confirmed, such gas quantities will not be deemed scheduled. All scheduled quantities shall be timely posted on Pipeline's Internet Web Site.

8.6.1 The quantities nominated for transportation by Shipper shall be scheduled by Pipeline for receipt and delivery in the following order:

- (a) Firm service utilizing Primary Receipt Points and Primary Delivery Points;
- (b) Firm service utilizing Secondary Receipt Points and/or Secondary Delivery Points; provided, however, that if Pipeline is restricting service at a particular Receipt or Delivery Point then a Shipper utilizing that point as a primary point, regardless of the status at the corresponding Delivery or Receipt Point, should have priority over a Shipper using that restrained point as a Secondary Receipt or Delivery Point;
- (c) AOS and interruptible service shall have equal priority and shall be scheduled in sequence starting with the highest rate, with shippers paying a Negotiated Rate that exceeds the maximum Recourse Rate being treated as though they were paying the Recourse rate for the purposes of scheduling;
- (d) Among Pipeline's firm service, Shippers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries; and
- (e) Among Pipeline's interruptible service, Shippers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries.

8.6.2 Pipeline co-owns with LA Storage, LLC ("LAS"), the metering and regulating facilities ("Co-Owned Facilities") located at the joint interconnections of Pipeline and LAS with the following interstate pipeline companies (each such pipeline company being hereinafter referred to as an "Interconnecting Pipeline"): Transcontinental Gas Pipeline Corporation, Tennessee Gas Pipeline Company, Florida Gas Transmission Company and Texas Eastern Transmission Corporation

("Shared Interconnections"). The Co-Owned Facilities at each Shared Interconnection have been designed and constructed with a total receipt and delivery capacity equal to that of the Interconnecting Pipeline's system at such Shared Interconnection. To the extent that nominations from Shippers having primary firm receipt and/or delivery rights at any Shared Interconnection (together with nominations from LAS's shippers having primary firm receipt and/or delivery rights at the same Shared Interconnection) exceed the physical capacity of the Co-Owned Facilities at that point, Pipeline shall accept and confirm such Shipper nominations based solely on Pipeline's ability to confirm such nominations with the Interconnecting Pipelines.

In the event a tie for capacity exists among Shippers within the categories of services described in Sections 8.6.1(b), 8.6.1(c), 8.6.1(d) or 8.6.1(e) of these GT&C (which are all services other than primary firm Service), the quantities will be scheduled pro rata within each category.

- 8.6.3 Should Shipper be unable to accept the quantities of gas tendered at the Delivery Points on any Gas Day, then Pipeline may refuse to receive gas at the Receipt Points on such day. Should Shipper be unable to tender quantities of gas at the Receipt Points on any Gas Day, then Pipeline may refuse to deliver gas at the Delivery Points on such Gas Day.
- 8.6.4 Pipeline shall have the unqualified right to commingle gas transported hereunder with gas from other sources and other Shippers, and to treat and handle all such gas as under its possession and control. It is recognized that gas delivered by Pipeline may not be the same molecules as those received at the Receipt Points.
- 8.6.5 Entitlement Limitation applicable to Service Agreements. After Pipeline confirms, and, if necessary, reduces Shipper's nomination pursuant to GT&Cs Section 8.6, Pipeline may further reduce such nomination to the extent the combined nominations of Releasing Shippers and Replacement Shippers on any segment exceed the entitlement of the original firm capacity holder. To determine the total quantities nominated on any segment, nominations for forward haul service shall be added to nominations for backhaul service. If excess quantities are nominated in any segment, Shippers that have Capacity Path rights in that segment shall receive the highest priority under this Section 8.6.5 and other nominations for firm service shall be reduced on a pro rata basis.
- 8.6.6 Segment Priorities. After any adjustments to Shipper nominations for the entitlement limitation described in GT&C Section 8.6.5, Pipeline shall schedule remaining nominations for gas flow through each segment of its system in the following order:

- (a) Among Shippers requesting firm service using the segment and it is within their Capacity Path entitlements.
- (b) Among Shippers requesting firm service using the segment and it is outside of their Capacity Path entitlements; provided, however, when such nominations exceed the available capacity on the segment, Pipeline shall pro rate such capacity among Shippers nominating firm service outside of their Capacity Path entitlements on the segment based upon the quantities actually nominated by such Shippers.
- (c) In prioritizing nominations on each segment of Pipeline's system, Pipeline shall give backhaul transportation nominations secondary priority for purposes of this Section 8.6.6, and Pipeline shall net backhaul nomination against nominations for forward haul service in determining available segment capacity, unless Pipeline has reason to believe that the backhaul transportation service will not be performed on a continuous basis throughout the Gas Day.

8.7 OPERATIONAL BALANCING AGREEMENTS, DETERMINATION OF RECEIPTS AND DELIVERIES, ALLOWABLE DAILY DISPATCHING VARIATIONS, OVERRUN PENALTIES AND SCHEDULING PENALTIES

8.7.1 Operational Balancing Agreements ("OBA")

- (a) For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of gas to and from Pipeline's facilities, Pipeline shall, at a minimum, enter into OBAs with interstate and intrastate pipelines and may enter into OBAs with LNG terminals that operate natural gas facilities that directly interconnect with Pipeline's system and other parties (all such parties collectively herein called "OBA Party"). Such OBA shall specify the gas custody transfer procedures to be followed by Pipeline and OBA Party for the confirmation of scheduled quantities of gas to be received by Pipeline at the Receipt Point or delivered by Pipeline at the Delivery Point. Such OBA will provide that any variance between actual quantities and scheduled and confirmed quantities at the point where the OBA is in place for any Gas Day shall be cashed out or resolved in-kind promptly pursuant to the terms of the OBA and that such daily scheduling and monthly balancing variances are the responsibility of the OBA Party.

To facilitate such determination of variances on a timely basis, Pipeline and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Pipeline shall post on its Internet Web Site those Receipt Points and Delivery Points at which an OBA is in effect. When Pipeline enters into an OBA with an OBA Party, Pipeline may waive the daily nomination and scheduling provisions in GT&Cs Sections 8.5 and 8.6, to maintain operational flexibility and integrity.

- (b) Except for OBAs with interstate pipelines and intrastate pipelines, Pipeline shall have no obligation to negotiate and execute OBAs with any OBA Party that:
- (i) is not creditworthy as determined pursuant to GT&Cs Section 8.2; for purposes of such provision, references to Shipper shall refer to the OBA Party;
 - (ii) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;

- (iii) would cause the level of regulation which Pipeline is subject to prior to the execution of the applicable OBA to increase; or
 - (iv) does not commit to timely determination of variances based on reasonable available measurement technology; or
 - (v) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.
- (c) Nothing in this Section 8.7.1 nor any executed OBA shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any Service Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance or service of higher priority Shippers and/or services.
- (d) Pipeline will refund or carry forward, for each calendar year, any difference between the revenues received by Pipeline and the costs incurred by Pipeline associated with Pipeline's OBAs. To the extent the difference between such revenues and costs during any calendar year is less than Four Hundred Thousand Dollars (\$400,000), Pipeline shall carry forward the difference to the next calendar year. To the extent the difference, inclusive of carried over amounts, is greater than Four Hundred Thousand Dollars (\$400,000), Pipeline shall refund or invoice each OBA Party in proportion to such OBA Party's receipt and delivery of gas from or to Pipeline's system relative to such receipt and delivery by all OBA Parties during such calendar year, within one-hundred twenty (120) Days after the end of the calendar year.

8.7.2 Determination of Receipts

A Shipper's receipts shall be the scheduled quantities transported to the Receipt Point(s), plus the Fuel Retainage Percentage. Any imbalances resulting from a variation between the aggregate of Shipper's receipts and measured flow at an interconnect shall be managed pursuant to an OBA with an upstream operator.

Shipper shall be responsible for any imbalances that it creates on upstream facilities. Such imbalance charges and penalties on upstream facilities shall be recovered by the upstream operator directly from the Shipper.

8.7.3 Determination of Deliveries.

The Delivery Point operator shall have sole physical control of a Delivery Point, including access to the measured volumes and shall maintain firm contract entitlements that are sufficient to control imbalances at the Delivery Point, and that reflect Primary Delivery Point entitlements corresponding to the Delivery Point.

- (a) Each Delivery Point operator which takes gas quantities from Pipeline's system shall, in accordance with the nomination and ranking deadlines set forth in GT&Cs Section 8.5, provide Pipeline (or Shipper shall cause the interconnecting Delivery Point operator to provide Pipeline, if applicable) with a predetermined allocation ("PDA") at the Delivery Point(s) where Pipeline tenders gas to such Delivery Point operator by 8:00 p.m. CCT on the Gas Day. The Delivery Point operator shall select one of the following forms of PDA: (1) Swing PDA, (2) percentage PDA, (3) pro rata PDA or (4) ranked PDA.

The Delivery Point operator may elect a form of PDA annually; provided, however, Pipeline may, in its sole judgment, accept changes to a Shipper's PDA election more frequently than once a year. If the Delivery Point operator elects a Swing PDA, it shall designate which services are to "take the Swing" on any Gas Day that measured quantities are greater than or less than the scheduled quantities. The PDAs provided hereunder by such Delivery Point operator to Pipeline shall include: name of Shipper, contract number and quantity (limit value) at a transaction level and shall include a ranking of all available firm services (scheduled or unscheduled) to which measured quantities shall be allocated so as to eliminate or minimize any daily unauthorized overruns under this section.

The limit value will be used, in part or in total, in conjunction with the scheduled quantity to determine the total quantity to be allocated for the specified transaction. The Delivery Point operator shall provide Pipeline with unique limit values for high quantity (measured quantities are in excess of scheduled) or low quantity (measured quantities are less than scheduled) situations. PDAs provided by the Delivery Point operator shall be consistent with Pipeline's Rate Schedule limitations and the provisions of GT&Cs Section 8.14. To the extent that the high quantity PDAs do not fully use all available firm services, Pipeline shall consider any measured quantities in excess of the sum of the scheduled quantities and PDAs as dispatching variations pursuant to GT&Cs Section 8.7.5 and unauthorized daily overruns, if applicable, pursuant to this Section 8.7. If sufficient PDAs are not provided

by the Delivery Point operator in a low quantity situation, Pipeline reserves the right to reduce the allocated quantities to all available services of the Delivery Point operator on a pro-rata basis until the total allocated quantity is equal to the total measured quantity. If necessary, Pipeline shall reduce all remaining deliveries at the Delivery Point(s) where Pipeline tenders gas to the Delivery Point operator on a pro-rata basis until the allocated quantity is equal to the measured quantity.

Prior-period adjustments to scheduled quantities and PDAs shall be permitted by Pipeline only if all parties affected by the resulting prior period reallocation (including Pipeline) consent in writing to the adjustment; provided, however, Pipeline shall not unreasonably withhold such consent.

(b) Deliveries at Interconnects

An imbalance for an OBA Party shall be based on the difference between total actual quantities of gas received or delivered through the affected meter and the total aggregated scheduled quantities for that meter, which shall be used as the actual quantities of gas received or delivered. Imbalances will be resolved pursuant to the OBA between Pipeline and the OBA Party.

8.7.4 Determination of Make-Up Receipts and Deliveries.

Make-up quantities, including imbalance quantities that are being resolved in-kind, shall be deemed to be the "last through the meter." Imbalance quantities returned in-kind in the current Month are applied first to the previous Month imbalance until such balance is zero and then applied to the current Month imbalance.

8.7.5 Allowable Daily Dispatching Variations. The allowable daily dispatching variation shall be established daily by Pipeline and posted on its Internet Web Site each Gas Day for which an OFO is in effect. The available daily dispatching variation shall not be less than, the greater of: (a) 100 Dths, (b) two percent (2%) of Shipper's MDTQ, or (c) two and one-half percent (2.5%) of the sum of (x) the Maximum Daily Delivery Obligation ("MDDO") at the respective Delivery Points under the Pipeline's Rate Schedule FT, plus (y) the scheduled daily delivery each Gas Day under Pipeline's Rate Schedule IT or AOS when interruptible or AOS capacity on Pipeline's system is allocated or when such service is limited pursuant to the provisions of GT&Cs Sections 8.9 and 8.10. A Shipper's MDDO shall be the scheduled quantities. The allowable daily dispatching variation shall be applicable to unauthorized daily overruns

and unauthorized daily underdeliveries.

- 8.7.6 Delivery Point Unauthorized Daily Overrun. Any quantity of gas taken by a Shipper from Pipeline on any Gas Day an OFO is in effect in excess of the sum of (a) the applicable, allowable daily dispatching variation for the Shipper's MDTQ, plus (b) the Pipeline's MDDO shall constitute unauthorized daily overrun quantities.

Pipeline shall notify Shippers via its Internet Web Site that gas taken in excess of Pipeline's MDDO shall be subject to the GT&C Section 8.7.7 "Unauthorized Daily Overrun Penalties".

- 8.7.7 Unauthorized Daily Overrun Penalties. Shipper shall pay a penalty for unauthorized daily overruns occurring at the time an OFO is in effect. The OFO penalty under this section shall be calculated as follows: If Shipper takes on any Gas Day unauthorized overrun quantities in excess of the allowable daily dispatch variations set forth in GT&Cs Section 8.7.5, Shipper shall pay the cost of such overrun gas plus a penalty of: (1) \$5.00 per Dth for unauthorized overrun quantities in excess of 2% up to 5% of that allowable variation for the particular day; (2) \$15.00 per Dth for unauthorized overrun quantities in excess of 5% up to 8% of that allowable variation for the particular Gas Day; and (3) a penalty of \$20.00 per Dth for any quantity in excess of the 8% of that allowable variation for the particular Gas Day. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable; provided, however, if Pipeline's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to GT&Cs Section 8.7.5, Shipper will not incur a penalty for any unauthorized overrun quantities equal to or less than that particular day's posted allowable daily dispatch variation. Such penalties do not mitigate Shipper's responsibility to resolve imbalances resulting from such overruns.

The payment of a penalty for such daily unauthorized overrun gas hereunder shall under no circumstances be considered as giving Shipper the right to take unauthorized overrun gas or be considered as a substitute for any other remedy available to Pipeline against the offending Shipper for failure to stay within Shipper's applicable, allowable daily dispatching variation.

- 8.7.8 Unauthorized Daily Underdelivery Penalties. Shipper shall pay a penalty for unauthorized daily underdeliveries occurring at the time an OFO is issued. Such OFO penalty amount under this section shall be calculated as follows: If Shipper does not transport on any Gas Day its scheduled quantities minus the allowable daily dispatch variations set forth in

GT&Cs Section 8.7.5, Shipper shall pay the cost of such overrun gas plus a penalty of: (1) \$5.00 per Dth for unauthorized underdelivery quantities in excess of 2% up to 5% of that allowable variation for the particular Gas Day; (2) \$15.00 per Dth for unauthorized underdelivery quantities in excess of 5% up to 8% of that allowable variation for the particular Gas Day; and (3) a penalty of \$20.00 per Dth for unauthorized underdelivery quantities in excess of the 8% of that allowable variation for the particular Gas Day. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable; provided, however, if Pipeline's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to GT&Cs Section 8.7.5, Shipper will not incur a penalty for any unauthorized underdelivered quantities equal to or less than that particular Gas Day's posted allowable daily dispatching variation. Shipper shall pay a penalty only for unauthorized underdelivery quantities occurring at the time an OFO is issued. Such penalties do not mitigate Shipper's responsibility to resolve imbalances resulting from such underdelivery.

The payment of a penalty for such daily unauthorized underdelivered gas hereunder shall under no circumstances be considered as giving Shipper the right to not transport its scheduled gas or be considered as a substitute for any other remedy available to Pipeline against the offending Shipper for failure to stay within Shipper's applicable MDDO.

- 8.7.9 Scheduling Variance Charge and Scheduling Penalty. For each Dth delivered in excess of scheduled quantities, Shipper shall pay a transportation charge equal to the maximum rate under Rate Schedule IT. In addition, for each Dth delivered in excess of 102% of scheduled quantities, Shipper shall pay a scheduling penalty equal to the maximum rate under Rate Schedule IT. Shipper shall pay the scheduling penalty in addition to any other applicable charges, but in no event will Shipper be assessed penalties under multiple provisions of this Tariff for the same conduct.
- 8.7.10 Disposition of Penalties. All overrun and underdelivery penalties collected by Pipeline during a calendar year, less the revenues received or due for transportation services associated with that overrun gas, shall be directly refunded annually to each Non-Offending Shipper, as set forth in GT&Cs Section 8.25 for the Month(s) in which such penalties were incurred. Such refunds shall be distributed pursuant to GT&Cs Section 8.25. In the event that there are no Non-Offending Shippers in a given Month, 100% of such overrun and underdelivery penalties shall be carried forward to the next month.

8.8 MAXIMUM DAILY DELIVERY QUANTITY, INSTALLATION OF FLOW CONTROL EQUIPMENT, AND HOURLY FLOW RATE

8.8.1 Maximum Daily Delivery Quantity ("MDDQ")

- (a) **Applicability.** This Section of the GT&Cs applies to each Shipper for which Pipeline renders or delivers firm service at one or more Delivery Points. This Section specifies the MDDQ at each such Delivery Point.
- (b) Where Pipeline, pursuant to GT&Cs Section 8.8.1(d), provides Shipper with deliveries at an individual Delivery Point in excess of Shipper's otherwise applicable MDDQ ("excess deliveries"), the MDDQ for that Delivery Point shall be adjusted upward to reflect the increased deliveries Pipeline has agreed to provide and the Shipper's MDDQ at its remaining Delivery Points shall be reduced by a like amount in a manner as mutually agreed upon by Shipper and Pipeline for the period Pipeline has agreed to make such excess deliveries. The MDDQ for each Gas Day at each Delivery Point, which represents a limitation applicable to the combined deliveries under all rate schedules under which Pipeline delivers firm service to Shipper, shall not exceed one hundred percent (100%) of Shipper's MDTQ.
- (c) **More than One Shipper.** If the quantity of gas delivered at a single Delivery Point is applicable to gas delivered by Pipeline to more than one Shipper, then the total measured quantity shall be allocated in accordance with the PDA methodology chosen by the Delivery Point operator in accordance with GT&Cs Section 8.7.3.
- (d) **Delivery Point Authorized Daily Overrun.** Shipper may submit to Pipeline a request for an authorized waiver of Shipper's MDDQ or segment entitlement on the Gas Day prior to scheduled flow or on the Gas Day of scheduled flow. Pipeline may transport for Shipper the requested deliveries in excess of Shipper's MDDQ or segment entitlement to the extent physical operating conditions permit and to the extent Pipeline is able reasonably to determine that such deliveries will not impair Pipeline's ability to provide firm service to other Shippers on Pipeline's system. In such circumstances, the delivery of gas in excess of Shipper's MDDQ or segment entitlement will be scheduled on a primary firm basis, provided that the total scheduled deliveries for such Shipper at all of its Delivery Points do not exceed Shipper's MDTQ.

In the event Shipper, without prior authorization by Pipeline, takes

on any Gas Day at any individual Delivery Point a quantity of gas which is greater than Shipper's applicable MDDQ or segment entitlement, then the quantity in excess of the MDDQ or segment entitlement shall be Shipper's Delivery Point unauthorized daily overrun for such Gas Day and GT&Cs Sections 8.7.5 through 8.7.7 shall apply.

- (e) Updating Delivery Quantity. Pipeline shall amend each affected Shipper's delivery quantity at any Delivery Point(s) to reflect any additional flexibility provided by incremental capacity expansion projects after: (1) Shipper and Pipeline have executed the Service Agreement for such incremental service; and (2) the incremental facilities related thereto have been constructed and are ready for service.

8.8.2 Installation of Flow Control Equipment

Pipeline may elect to construct, install, and operate flow control equipment at any location on its pipeline system whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient and orderly operation of its pipeline system in a manner that is consistent with its obligation to provide service under all of its rate schedules.

8.8.3 Hourly Rates of Flow

- (a) Uniform Flow Rates

All gas delivered to or by Pipeline under its transportation Rate Schedules shall be delivered at rates as constant as operationally feasible throughout the Gas Day, and except as provided in GT&Cs Section 8.8.3(b), Pipeline shall not be obligated to deliver gas under its transportation Rate Schedules in excess of uniform hourly rates.

- (b) Authorized Fluctuations in Flow Rates

Scheduled quantities will be received and delivered at a uniform hourly rate of confirmed quantity divided by 24, unless as determined by Pipeline, variance from the hourly rate will not be detrimental to the operation of the pipeline or adversely affect other Pipeline Shippers.

8.9 OPERATIONAL FLOW ORDERS

8.9.1 Pipeline reserves and will have the right to issue Operational Flow Orders ("OFOs") to preserve the integrity of Pipeline's system, to prevent or respond to a force majeure event, to ensure adequate operating pressures, to have adequate supplies in the system, to assure adequate fuel and Fuel Retainage, to maintain firm services and to stabilize the operation of the system. To the extent possible, Pipeline will identify discrete Shipper(s) whose action(s) require Pipeline to issue an OFO and Pipeline will limit the applicability of OFO(s) to such Shipper(s). Notwithstanding the foregoing, if Pipeline is unable to identify discrete Shipper(s) whose action(s) require issuance of an OFO, OFOs will be issued as necessary to resolve the operational problem. Once an OFO has been issued, Pipeline will cooperate with the affected Shipper(s) to accomplish the results intended by the OFO. So long as Pipeline acts reasonably and in good faith, Pipeline shall not be liable for any damages suffered by Shipper or by any third party as a result of any actions taken by Pipeline in connection with an OFO.

8.9.2 Notice of OFOs.

- (a) If Pipeline is required to issue an OFO, Pipeline will post a notice of such OFO on its Internet Web Site and will send an email or fax to the affected Shipper(s) with a description of the necessity of such order, the Shipper(s), Receipt Point(s) or Delivery Point(s) or the section of the Pipeline to which the order is directed, and the anticipated duration of such order. To the extent the affected Shipper(s) is not identified in any notice of an OFO, such order will be applicable to all Shippers and will be posted on the Pipeline's Internet Web Site. To the extent feasible under the circumstances, Pipeline will post any notice of a Critical Mode OFO at least 2 hours prior to the last nomination cycle prior to such order becoming effective. It is recognized, however, that such prior notification may not be possible under all circumstances. Pipeline will post a notice on the Pipeline's Internet Web Site informing the Shipper(s) when any OFO in effect will be canceled. If the Pipeline's Internet Web Site is not operating properly, notices shall be sent pursuant to GT&Cs Section 8.29.
- (b) Based on an evaluation of current and forecasted system conditions, Pipeline shall post by 1 p.m. CCT each Gas Day the operating conditions for the current Gas Day and the projected

operating conditions for the succeeding two Gas Days. Such operating conditions will be posted to be Normal, Alert, or Critical Mode. The operating conditions may be different for Delivery Points within the various geographic areas of Pipeline's system.

- (i) Normal Mode shall be implemented when system conditions do not warrant a correction in flow, and when no known threat to system conditions exist.
 - (ii) Alert Mode shall be implemented when system conditions warrant a correction in flow, or when a threat to system conditions exist.
 - (iii) Critical Mode shall be implemented when system conditions warrant a prompt or immediate correction in flow or when an event has occurred or is occurring that jeopardizes the Pipeline's system integrity.
- (c) When Pipeline changes the operating condition from Normal to Alert, Alert to Normal, Alert to Critical, Critical to Alert, Normal to Critical or Critical to Normal, Pipeline shall provide notice to Shippers by posting such change on the Pipeline's Internet Web Site. Notices to implement an OFO under GT&Cs Section 8.9 or to change to or from a Critical Mode shall be delivered to Shippers by the Pipeline's Internet Web Site pursuant to the terms of GT&Cs Sections 8.29 and 8.36. Notices shall be given as soon as practicable but no shorter than the notice periods set forth below:
- (i) for Alert Mode Notice: at least 24 hours prior to the beginning of the Gas Day to which the notice applies;
 - (ii) for Critical Mode Notice: at least 2 hours, unless an immediate response is required for exigent circumstances prior to the effective time of the notice. Such notice shall specify the beginning time of the OFO and such OFO shall remain in effect until cancelled by Pipeline. In the notice Pipeline shall specify the reason for the OFO and the expected conditions that would cause release of the order.
- (d) If an Alert Mode Notice indicates that an OFO may be imminent, Pipeline will advise what action is requested and what future actions may be mandated if voluntary steps are not taken. Under such circumstances, Shippers are asked to comply as quickly as possible with the Alert Mode Notice to reduce the need for further

action by Pipeline. Shippers should be prepared to act on short notice. The Alert Mode Notice may be directed to all Shippers or to specific Shippers on a not unduly discriminatory basis. By issuing an Alert Mode Notice, Pipeline shall not be precluded from issuing further OFO notices if circumstances ultimately require. The Alert Mode Notice is intended to provide Shippers the opportunity for voluntary compliance, rather than requiring mandatory action under the OFO provisions of the Pipeline's Tariff. If voluntary compliance does not resolve the circumstances causing the Alert Mode Notice, Pipeline has the discretion to implement a Critical Mode Notice on the Shipper(s) or to curtail the Shipper(s) causing or contributing to the condition.

- 8.9.3 OFO Penalties. To the extent Pipeline issues an OFO (other than an Alert Mode Notice) and the Shipper(s) does not comply with such order, Pipeline will assess and Shipper will be obligated to pay Pipeline the higher of \$20.00 per Dth or two times the cost of gas. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable. Such fee will be assessed on each Dth of gas received into or delivered out of Pipeline's system when such receipts and/or deliveries are not in compliance with any OFO in effect. If the OFO penalty is imposed, no curtailment penalty under GT&Cs Section 8.10.4, no unauthorized daily overdelivery penalty under GT&Cs Section 8.7.7, no unauthorized daily underdelivery penalty under GT&Cs Section 8.7.8, and no scheduling penalty under GT&Cs Section 8.7.9, will also be imposed for the same infraction. Also, multiple OFO penalties will not be assessed for the same infraction. All OFO penalties collected by Pipeline for the Month(s) in which such penalties were incurred shall be accounted for as part of Pipeline's penalty revenue sharing pursuant to GT&Cs Section 8.25. In the event that there are no Non-Offending Shippers, as set forth in GT&Cs Section 8.25, in a given Month, 50% of such overrun and undeliveries penalties shall be donated to a charity that is located in a parish or county in which Pipeline is located, and the remaining 50% of such overrun and underdeliveries penalties shall be carried forward to the next month. The payment of a penalty under this Section 8.9 shall under no circumstances be considered as giving the Shipper the right to violate OFOs nor shall such payment be considered as a substitute for any other remedy available to Pipeline or any other Shipper against the offending Shipper for failure to comply with an OFO.
- 8.9.4 Interconnecting operator OFOs. To the extent a directly interconnected operator issues an OFO, Pipeline may assess whether the issuance of such OFO impacts the conditions on Pipeline's own system such that Pipeline

must concurrently issue an OFO pursuant to Section 8.9.1. Penalties for violating such an OFO issued by Pipeline shall be those enumerated in GT&Cs Section 8.9.

- 8.9.5 Pipeline shall publish a report on its Internet Web Site as soon as available, providing information about the reason for issuing the OFO, the status of the operational variables that determine when an OFO is issued, the Shipper(s) affected, the time and date when the OFO will begin, when the OFO is expected to end, explain why the OFO was issued and what specific actions are required from the affected Shipper(s). The report will be updated when new information is available. Additionally, Pipeline shall publish a final report on its Internet Web Site, within three (3) Business Days from the date an OFO is lifted, providing the details regarding an OFO.

8.10 CURTAILMENT

8.10.1 Pipeline shall have the right to curtail transportation services, in whole or in part, on all or a portion of its system in an emergency situation, as determined by Pipeline in its sole judgment, or when an unexpected capacity loss occurs after Pipeline has scheduled service and Pipeline is therefore unable to perform the service that it has scheduled. Pipeline shall provide Shipper such notice of the curtailment of each Shipper's scheduled service as is reasonable under the circumstances. Pipeline shall have the unqualified right to curtail transportation services at any time under Pipeline's interruptible Rate Schedules to provide service under Pipeline's firm Rate Schedules or to serve a higher priority interruptible service. In addition, Pipeline shall have the right to interrupt or discontinue service at any time for other emergency situations, including reasons of Force Majeure or when, in Pipeline's sole judgment, capacity or operating conditions so require or it is desirable or necessary to make modifications or operating changes to its system to address an emergency situation.

8.10.2 In the event that service is curtailed then Pipeline shall reduce each Shipper's scheduled service in the following order:

- (a) first, ratably for interruptible transportation service under Rate Schedules IT and PAL, and AOS, except for those Shippers' services included in (b) below. Pipeline shall allocate capacity among Shippers paying the same rate pro rata on the basis of scheduled quantities;
- (b) then, ratably to Shippers (i) at maximum rates under Rate Schedule IT; (ii) at maximum rates under Rate Schedule PAL; or (iii) at maximum rates for AOS, under Rate Schedule FT ; provided, however, Shippers paying a negotiated rate which exceeds the maximum rate will be considered for purposes of this Section 8.10.2(b) to be paying the maximum rate; and
- (c) then, pro rata on the basis of MDTQ to Shippers having scheduled services previously confirmed pursuant to Pipeline's Rate Schedule FT.

8.10.3 If curtailment is caused by an event occurring at a specific Receipt Point, Delivery Point or segment on Pipeline's system, then quantities will be curtailed at the affected point based on the utilization of that point as firm or interruptible and in the order specified above.

8.10.4 Curtailments and Penalties

- (a) Without regard to any other remedy provided by law or by the provisions hereof, Pipeline shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with a curtailment order by Pipeline in compliance with this Section 8.10.4 or any directive from any governmental authority having jurisdiction in the premises.
- (b) All volumes received and/or taken in violation of Pipeline's curtailment orders shall constitute unauthorized receipts or deliveries of gas for which a penalty of \$50.00 per Dth plus cost of gas shall be assessed in addition to any other applicable rate or charge, but in no event will Shipper be assessed penalties under multiple provisions of this Tariff for the same conduct. The cost of gas shall be the Daily Gas Index Price for the higher of the Gas Day of receipt and delivery, the Gas Day preceding receipt or delivery, or the Gas Day following receipt and delivery as applicable. Such penalty shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment pursuant to GT&Cs Section 8.10.5.
- (c) All such penalties collected by Pipeline for the Months(s) in which such penalties were incurred shall be accounted for as part of Pipeline's penalty revenue sharing pursuant to GT&Cs Section 8.25. In the event that there are no Non-Offending Shippers, as set forth in GT&Cs Section 8.25, in a given Month, 100% of such overrun and underdeliveries penalties shall be carried forward to the next month. The payment of a penalty under this Section 8.10.4 shall under no circumstances be considered as giving the Shipper the right to violate a curtailment order nor shall such payment be considered as a substitute for any other remedy available to Pipeline or any other Shipper against the offending Shipper for failure to comply with a curtailment order.

8.10.5 Notice of Curtailment

- (a) Notice by Pipeline. Pipeline shall provide Shipper with notice of curtailment at a time and in a manner that is reasonable under the then existing conditions and shall confirm in writing pursuant to GT&Cs Section 8.29.
- (b) Notice by Shipper. Shipper shall have the responsibility to inform its customers, suppliers, other Pipelines and all others involved in the transaction, as to any curtailment or interruption.

- (c) Notice of a Shipper Emergency Situation. Pipeline shall provide notice to any Shipper that is curtailed to a lower quantity as a result of a request submitted under the Shipper Emergency Situation relief provisions of GT&Cs Section 8.10.6. Such notice shall be provided in a time and manner that is reasonable under the then existing conditions, but no later than two (2) hours of such curtailment. In the event Shipper requesting Shipper Emergency Situation relief provides the sworn statement required by GT&Cs Section 8.10.6, Pipeline shall provide a copy of the sworn statement at the request of any Shipper curtailed to a lower quantity or service is discontinued as a result of the anticipated sworn statement.

8.10.6 Shipper Emergency Situation. In the event Pipeline is advised by a Shipper that, absent adjustment of the curtailment level contemplated by GT&CS Sections 8.10.2 and 8.10.3, the Shipper will be unable for the duration indicated by Shipper to avoid irreparable injury to life or property or to provide for minimum plant protection ("Shipper Emergency Situation"), then Pipeline shall adjust its curtailment of all other Shippers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the threatened or existing Shipper Emergency Situation. While Pipeline shall make adjustments in curtailment promptly upon notification by Shipper, Shipper must provide Pipeline within twenty-four (24) hours of notification a sworn statement including:

- (a) a detailed explanation of and an estimated duration for the Emergency Situation;
- (b) affirmation that all sources of gas supply available to Shipper, including peak-shaving and storage, were and are being utilized to the maximum extent possible during the time period for which the exception to the curtailment provisions of this Section 8.10.6. is in effect;
- (c) affirmation that all interruptible services and sales provided by Shipper were and are being discontinued during the time period for which the exception to the curtailment provisions of this Section 8.10.6 is in effect;
- (d) affirmation that no alternate fuel could be utilized or is available to be utilized to prevent the necessity for an exception to the curtailment provisions of this Section 8.10.6; and
- (e) affirmation that, if the Shipper Emergency Situation is an environmental emergency, the Shipper has made and continues to

make all feasible efforts to resolve the environmental emergency, including requests for waiver, exemption, and other relief from any regulation, directive, order or other equipment of a governmental body. Shipper shall provide Pipeline immediate notice of the cessation of the Shipper Emergency Situation. Notwithstanding any provision of this Section 8.10.6, however, Shipper shall not be entitled to relief under this Section 8.10.6: (1) to the extent that a Shipper Emergency Situation is due to the Shipper's failure to have adequate transportation arrangements in effect for the delivery of Shipper's gas at the Receipt Points or Delivery during the relevant period, or (2) to the extent that the quantity of gas required to meet such Shipper Emergency Situation exceeds such Shipper's firm contractual rights. Pipeline shall not be liable for granting exceptions to the curtailment provisions of this Section 8.10 for any Shipper based upon a request submitted by any such Shipper to Pipeline under the Shipper Emergency Situation relief provisions of this Section 8.10.6.

In the event Shipper does not provide the sworn statement as required by this Section 8.10.6, then all quantities attributable to the adjustments made by Pipeline shall be billed at a rate of \$50.00 per Dth plus the cost of gas in addition to any other applicable rate, charge or penalty. The cost of gas shall be the Daily Gas Index Price for the higher of the Gas Day of receipt and delivery, the Gas Day preceding receipt or delivery, or the Gas Day following receipt and delivery as applicable. All revenues attributable to such \$50.00 per Dth charge shall be credited, pro rata on the basis of the increase in curtailment caused by the invocation of this Section 8.10.6, to those firm Shippers curtailed to a lower quantity as a result of the Shipper Emergency Situation.

8.10.7 Compensation. If a Shipper requests that Pipeline invoke GT&Cs Section 8.10.6, then the requesting Shipper's invoice for such Month shall be adjusted upward to reflect the following changes:

- (a) an amount equal to the aggregate curtailment adjustment quantity requested by the Shipper pursuant to GT&Cs Section 8.10.6 multiplied by the Daily IT Usage Charge for the applicable rate schedule multiplied by 3.
- (b) All revenues attributable to such adjustment shall be credited, on a pro rata basis, based on each firm Shipper's additional curtailment quantity due to the Shipper Emergency Situation divided by the aggregate of all Shippers' additional curtailment quantity due to the Shipper Emergency Situation, to those firm Shippers curtailed

to a lower quantity as a result of the Shipper Emergency Situation.

8.10.8 Shipper shall indemnify Pipeline against and hold Pipeline harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Pipeline; which shall include any curtailment or interruptions described in any part of GT&Cs Section 8.10; except if such damages, claims, suits, actions or proceedings are due to Pipeline's gross negligence or willful misconduct.

8.10.9 (a) General Rule and Applicability

(i) General Rule. In the event Pipeline is unable to make deliveries of the volume of gas to which Shipper has firm entitlements on any day and to which Shipper has nominated for delivery from a Primary Receipt Point to a Primary Delivery Point under a firm Rate Schedule, Pipeline shall provide a credit applicable to the volume of gas that was nominated and confirmed by Shipper's supplier, but not delivered; provided, however, Pipeline shall not be relieved of the obligation to provide credits for failure to confirm a nomination for reasons within its control. For clarification, if Pipeline is unable to transport volumes of gas nominated from a Secondary Receipt Point or to a Secondary Delivery Point, Shipper shall have the ability to renominate to the applicable Primary Point and, if such nomination cannot be scheduled or such transportation is not provided, Pipeline shall provide credits pursuant to this General Rule. Pipeline shall not provide the reservation charge credits described above to the extent that the Shipper re-nominates and Pipeline receives and/or delivers quantities pursuant to Shipper's firm transportation agreement at a point other than Shipper's Primary Receipt and/or Delivery Point(s), provided that the Shipper will not be obligated to submit nominations for another receipt or delivery point other than its Primary Receipt and/or Delivery Point(s). The volume of gas to which the credit shall apply shall be the lesser of the following:

- (A) the quantity Shipper has nominated, and which has been confirmed, for the Gas Day less the quantity measured as delivered at Shipper's Primary Delivery Point;
- (B) when Pipeline has given advance notice of the unavailability of service, (i) the average of the preceding seven (7) days' daily quantities nominated and confirmed to the Shipper's Primary Delivery Point immediately preceding the service interruption; less (ii) the quantity measured as delivered at Shipper's Primary Delivery Point;

provided, however, that if Pipeline's notice of a non-force majeure service interruption is not provided until after the Timely Nomination cycle then the seven days' average will not be applicable; or

(C) the applicable MDTQ less the quantity measured as delivered at Shipper's Primary Delivery Point.

(b) Exceptions. Pipeline shall not be obligated to credit the Reservation Charge when Pipeline's failure to deliver gas to Shipper as provided above in (a) results from:

(i) the conduct or operations of Shipper or solely from the conduct or operations of the downstream point operator of the facilities at a Primary Delivery Point (if such downstream point operator is a party that is not controlled by Pipeline), including, but not limited to:

(A) damage or malfunction of the downstream point operator's facilities; or

(B) the inability of the downstream point operator to receive gas at Shipper's contract delivery pressure (if any) or Pipeline's mainline pressure;

provided, however, that if damage or malfunction of the point operator's facilities where Pipeline's facilities also incurred damage and are inoperable, and such damage or inoperability results in an inability to deliver, a credit shall apply under the terms hereof, except for the period provided in (ii) (A) and (B) below, until such time that Pipeline's facilities are ready to be placed back in service.

(ii) such failure occurring within the earlier of:

(A) ten (10) days following a force majeure event under Section 8.21 of this Tariff; or

(B) the date Pipeline should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (A).

(iii) such failure occurring within the earlier of:

(A) ten (10) days following an outage occurring prior to March 1, 2018, resulting from orders related to Pipeline's maximum allowable operating pressure issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to Section 60139(c) of Chapter 601 of Title 49 of the United States Code, provided that when Pipeline

issues notice of such an outage it will identify in such notice the specific PHMSA order with which it is complying; or

- (B) the date Pipeline should have, in exercise of due diligence, alleviated such outage, if earlier than the period set forth above in (A).

8.10.10 If Pipeline fails to deliver at least ninety (90%) of Shipper's MDTQ for a period of twenty-four (24) consecutive months, Shipper shall have the option to terminate its Service Agreement with no obligation to pay a termination charge or damages for termination, or to pay prospective penalties or charges.

8.10.11 If Pipeline fails to deliver all of Shipper's MDTQ for a period of six (6) consecutive Months, Shipper shall have the option to terminate its Service Agreement with no obligation to pay a termination charge or damages for termination, or to pay prospective penalties or charges; provided that in the event Pipeline's failure to recommence service during such period is the result of Pipeline's inability, notwithstanding its diligent efforts, to timely obtain necessary approvals from any governmental authority having jurisdiction, then the six (6) Month period specified above shall be extended day for day to the extent of the time required to secure such regulatory approval and, once secured, to remedy the situation with due diligence and all reasonable dispatch, such extension not to exceed six (6) Months.

8.11 CAPACITY RELEASE

This Section 8.11 sets forth a firm capacity release mechanism subject to the provisions of Subpart G of Part 284 of the Commission's Regulations, pursuant to which existing Shippers can voluntarily release and assign all or part of their firm service rights to (1) a shipper(s) that has executed a Capacity Release Umbrella Agreement and has acquired all or part of the firm service rights of a firm shipper through the Pipeline's capacity release procedures ("Replacement Shipper") using Pipeline's Capacity Release Bid Form, or (2) a Replacement Shipper(s) that has executed a Capacity Release Umbrella Agreement and is specifically designated by the shipper releasing capacity to obtain its released capacity ("Prearranged Shipper"). Shippers may release and assign their firm capacity on Pipeline under any firm, open access Service Agreement only under this Section 8.11 ("Releasing Shipper"). Pipeline will use an open bidding format and will post each Releasing Shipper's offer to release capacity ("Releasing Shipper's Notice") and all the bids against that Releasing Shipper's Notice, provided that bidders' names shall not be posted except for the names of the Successful Bidders. Bids are to be based on the Reservation Rate only, provided the Reservation Rate may be converted into a volumetric charge. For capacity releases for a term longer than one year, the maximum rate for such volumetric releases shall be no greater than the 100% load factor equivalent of Pipeline's maximum Reservation Rate currently applicable to the service released as set forth in Section 4 of this Tariff. For purposes of this Section 8.11, and for capacity releases for a term longer than one year, a Shipper is entitled to specify a rate for capacity to be released equal to no more than the maximum Reservation Rate, plus all applicable surcharges.

8.11.1 Service Agreements Eligible for Capacity Release.

Shippers under any firm Service Agreement, except as specifically restricted by the applicable rate schedule, are permitted to release their firm capacity in whole or in part, on a permanent or temporary basis, and on a firm or recallable basis. Such Releasing Shipper may propose an entity to obtain its released capacity from Pipeline.

8.11.2 Notice

Notice of Capacity Release. A firm Shipper that wants to release any or all of its capacity shall post the release on the Pipeline's Internet Web Site or, where applicable, by electronic data interchange by the posting deadline as determined pursuant to GT&Cs Section 8.11.3. Such Releasing Shipper's Notice shall provide the terms and conditions of the release as follows:

- (a) the releasing agreement;
- (b) on a permanent or temporary basis;
- (c) on a firm or recallable basis including the specifics of any recall right, as well as recall method and rights;
- (d) the Gas Day upon which the Bid Period will expire if other than as specified in GT&Cs Section 8.11.3;
- (e) the quantities to be released at specific locations;
- (f) the period of time or term, including any objective, not unduly discriminatory right of recall;
- (g) any Prearranged Shipper proposed to obtain released capacity under the rates, terms and conditions contained in the Releasing Shipper's Notice ("Prearranged Release");
- (h) the minimum Reservation Rate, if any, or, if the Releasing Shipper elects; the minimum Reservation Rate restated on a volumetric basis;
- (i) whether bids should be submitted in dollars and cents or percentages of maximum tariff rate;
- (j) the bid evaluation method which shall be, at the Releasing Shipper's option, either one of the following three standard evaluation methods: highest rate, net revenue or present value; or alternative Releasing Shipper defined bid evaluation methods pursuant to GT&Cs Section 8.11.2(k); provided, however, that Pipeline shall not be required to process the capacity release using the standard process timeline should the Releasing Shipper elect an alternative method of bid evaluation;
- (k) at the Releasing Shipper's option and in lieu of Pipeline implementing the Best Bid determination stated in GT&Cs Section 8.11.5, the Releasing Shipper may state the bid evaluation method. Such bid evaluation method shall be objectively stated, applicable to all Replacement or Prearranged Shippers and not unduly discriminatory, shall enable Pipeline to rank the bids received by utilizing the weight assigned by the Releasing Shipper to each element of the Releasing Shipper's Notice, and shall include Releasing Shipper's tie-breaking methodology if other than first-bidder-in-time;

- (l) whether contingent bids will be accepted and if so, for what time period each contingent bidder will be allowed to eliminate the contingency; and, if not eliminated, all details concerning the evaluation of other bids, including the time period when the next highest bidder will be obligated to acquire the capacity;
- (m) expiration of Matching Period for a Prearranged Release if other than as specified in GT&Cs Section 8.11.3; Releasing Shipper shall not be allowed to specify an extension of the original Bid Period or the Prearranged Release Matching Period without posting a new release;
- (n) the Primary Receipt Point(s), if any, associated with the release, the firm capacity to which cannot exceed one hundred percent (100%) of the Releasing Shipper's MDTQ
- (o) the Primary Delivery Point(s), if any, associated with the release, the firm capacity to which cannot exceed one hundred percent (100%) of the Releasing Shipper's MDTQ;
- (p) for a temporary release, a statement whether the Replacement Shipper is permitted to relocate the Primary Receipt Point(s) or Primary Delivery Point(s) associated with the release during the term of the release, which change in primary points shall become permanent pursuant to Section 8.11.8(a) and Releasing Shipper shall only be entitled to relocate to its original points to the extent that capacity remains available; provided that if no such statement is submitted, no relocation of primary points shall be permitted during the term of the release;
- (q) if the release is to an asset manager exempt from bidding pursuant to Section 8.11.3(a), the term during which the gas purchase or sale obligation applicable under an asset management arrangement will apply; and
- (r) any additional terms and conditions of releases that are objective and non-discriminatory.

8.11.3 Posting Requirements and Bid Periods. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered and (2) there are no special terms or conditions of the release. Any capacity release transaction, including a Prearranged Release, must be posted for bidding pursuant to the requirements in this Section 8.11.3

unless the transaction is: (w) a release of capacity to an asset manager as defined Section 284.8(h)(3) of the Commission's regulations; (x) a release of capacity to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations; (y) a release for more than one year at the Recourse Rate; or (z) a release for any period of 31 days or less. A capacity release transaction for 31 days or less may be posted for bidding pursuant to the requirements in this Section 8.11.3. A Releasing Shipper may not roll over, extend or in any way continue the Release of the same capacity to the same Replacement Shipper using the 31 days or less bidding exemption set forth in Section 8.11.3(z) until 28 days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding pursuant to Section 8.11.3. Any Releasing Shipper's completed Notice will be posted on the Pipeline's Internet Web Site pursuant to Section 8.11.3(a) for biddable releases and Section 8.11.3(b) for non-biddable releases. For all releases subject to bidding, Releasing Shipper's completed Notice will be posted on the Pipeline's Internet Web Site until the expiration of the Bid Period. Shipper must submit information on a Prearranged Release, for posting on Pipeline's Internet Website, no later than forty-eight (48) hours after the completion of all contractual arrangements and in any event no later than one hour prior to the nomination deadline pursuant to the timeline set forth in Section 8.11.3(b). All terms and conditions of completed capacity release transactions will be posted on the Pipeline's Internet Web Site, including the names of the Releasing Shippers involved in the capacity release transaction.

Cameron Interstate Pipeline adopts NAESB WGQ Standard 5.3.2 and supports the following Capacity Release timeline (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

- (a) Capacity Releases Subject to Bidding. The proposed duration of the Shipper's release determines the minimum Bid Period for the Releasing Shipper's Notice pursuant to this Section 8.11. These Bid Periods are as follows:
 - (1) For biddable releases (1 year or less):
 - i. Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day;
 - ii. Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
 - iii. Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are

- broken;
- iv. If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.;
- v. Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon;
- vi. The contract is issued within one hour of Award posting (with a new contract number, when applicable);
- vii. Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(2) For biddable releases (more than 1 year):

- i. Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day;
- ii. Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
- iii. Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken;
- iv. If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.;
- v. Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon;
- vi. The contract is issued within one hour of the Award posting (with a new contract number, when applicable);
- vii. Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) Timeline for Non-Standard Releases. If the Releasing Shipper specifies a bid evaluation methodology other than highest rate, net revenue or present value or with any other special terms or conditions, the above timeline shall apply; provided, however, one additional Business Day will be added to the evaluation period. Such extended evaluation period shall cause gas flow to be at least one Gas Day later than gas could flow under the timeline set forth in GT&Cs

Sections 8.11.3(a)(1) or 8.11.3(a)(2).

(b) For non-biddable releases:

The posting of Prearranged Releases that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

Timely Cycle	12:00 Noon
Evening Cycle	5:00 p.m.
Intraday 1 Cycle	9:00 a.m.
Intraday 2 Cycle	1:30 p.m.
Intraday 3 Cycle	6:00 p.m.

The contract is issued within one hour of the Award posting (with a new contract number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

8.11.4 Reserved for Future Use.

8.11.5 Allocation of Released Capacity

(a) Pipeline shall select the Best Bid as defined in GT&Cs Section 8.11.5(d) from among the bids received. However, if more than one bidder submits the Best Bid, the first bidder in time, shall be selected and posted as the Best Bid, unless the Releasing Shipper specifies another tie-breaking methodology in the Releasing Shipper's Notice. Notwithstanding the foregoing, if a Prearranged Shipper matches the highest bid, that Prearranged Shipper's bid shall be deemed the Best Bid. Pipeline shall reject any bid that is less than the minimum rate specified by the Releasing Shipper.

(b) In the event a contingent bid is submitted pursuant to GT&Cs Section 8.11.2(l), the Replacement Shipper (including a Prearranged Shipper) submitting the contingent bid shall have one hour from 2:00 p.m. CCT to 3:00 p.m. CCT on the day the Bid Period ends to eliminate the contingency or withdraw its bid. If the Replacement Shipper (including a Prearranged Shipper) fails

to notify Pipeline that the contingency is not eliminated within such time, such contingent bid shall be deemed rejected by Pipeline for failure to eliminate the contingency in accordance with the releasing Shipper's Notice.

- (c) Any Replacement Shipper may make an upward revision to or withdraw its bid during the Bid Period through the Pipeline's Internet Web Site; provided, however, Pipeline will allow any Prearranged Shipper to match, in accordance with GT&Cs Section 8.11.3(a)(2), the Best Bid after the close of the Bid Period; provided, further, if Replacement Shipper submits more than one bid for the same capacity, the lower bid will automatically expire. Replacement Shipper or its affiliate shall not have the opportunity to use its ability to withdraw its bid in order to submit a lower bid.
- (d) The Best Bid shall be (1) determined in accordance with the bid evaluation method specified by the Shipper pursuant to GT&Cs Sections 8.11.2(j) and 8.11.2(k); or (2) in the event the Releasing Shipper elects not to submit a bid evaluation method, the Best Bid shall be the bid which generates the highest present value. Present value shall be determined based on a 10% discount rate. Pipeline shall reject any bid which does not match the other minimum specifications set forth in the Releasing Shipper's Notice. In the event both a contingent bid and a non-contingent bid generate the same present value, Pipeline shall reject the contingent bid. If multiple bids meet the minimum conditions stated in the Releasing Shipper's Notice, Pipeline shall award the capacity, best bid first, until all offered capacity has been awarded.

8.11.6 Obligations of All Parties

- (a) Obligations of Pipeline
 - (1) Pipeline will be required pursuant to GT&Cs Section 8.36 to provide the Pipeline's Internet Web Site for access by Shippers or Replacement Shippers (including Prearranged Shippers) participating in this Section 8.11. If the Replacement Shipper (including a Prearranged Shipper) satisfies Pipeline's applicable tariff provisions governing Shipper eligibility and its bid is accepted by Pipeline, Pipeline will finalize with the Replacement Shipper an appropriate Service Agreement in the form of an addendum to the Capacity Release Umbrella Agreement incorporating the terms of the accepted bid. Pipeline will notify the Releasing Shipper with recall rights of the name of new Replacement Shippers who subsequently obtain

such capacity after the Service Agreement is executed.

- (2) Pipeline shall provide the original Releasing Shipper with Internet e-mail notification reasonably proximate in time with any of the following formal notices given by Pipeline to the Releasing Shipper's Replacement Shipper(s), of the following: notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Pipeline's GT&Cs; Notice to the Replacement Shipper's suspension of service notice; Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and Notice to the Replacement Shipper that the Replacement Shipper is no longer creditworthy and has not provided credit alternative(s) pursuant to Pipeline's GT&Cs.

(b) Obligations of the Releasing Shipper

- (1) Unless Pipeline has agreed to terminate a Releasing Shipper's Service Agreement pursuant to Section 8.11.6(b)(3), the Service Agreement of the Releasing Shipper will remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the existing Releasing Shipper's invoice as provided in GT&Cs Section 8.11.7. The Releasing Shipper shall remain ultimately liable to Pipeline for all reservation charges and reservation surcharges, if any, under the terms of its Service Agreement with Pipeline. However, no new obligation or liability is created as a result of such assignments of the rights and obligations under the Service Agreement.
- (2) If Pipeline waives any credit requirements for a Replacement Shipper (including a Prearranged Shipper), Pipeline shall limit the liability of the Releasing Shipper to the extent of such credit waiver. To the extent Pipeline does not require continuing assurances for or Replacement Shippers pursuant to of creditworthiness under GT&Cs Section 8.2.5 any less than it does the Releasing Shipper, the Releasing Shipper continues to be liable.
- (3) In the event there is a permanent release of Shipper's capacity and Pipeline determines that it will be financially indifferent to the release, Pipeline will agree to discharge the Releasing Shipper of liability under its Service

Agreement, on a prospective basis, in whole or in part, provided the Replacement Shipper meets the credit requirements under GT&Cs Section 8.2, but for any Releasing Shipper for whom Pipeline agreed to construct new facilities, the Replacement Shipper shall meet the credit requirements under GT&Cs Section 8.2 and shall assume the credit obligations contained in the Releasing Shipper's Service Agreement.

- (4) Right to Recall. Any Releasing Shipper retaining the right of recall may exercise such right of recall by providing notification via the Pipeline's Internet Web Site to Pipeline and Replacement Shipper, provided such recall (i) conforms to the recall terms of such Releasing Shipper's Notice; and (ii) does not constitute a waiver or modification of GT&Cs Section 8.5. Any Releasing Shipper may exercise a right of recall, subject to the provisions herein, in the event a Replacement or Prearranged Shipper fails to pay part of or all of the amount of any invoice for service provided when such amount is due in accordance with GT&Cs Section 8.19.
- (5) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. For the recall notification provided to Pipeline, the quantity recalled should be expressed in terms of adjusted total released capacity entitlements based upon the elapsed prorata capacity. The recall notification to Pipeline shall specify the quantity in terms of total released capacity entitlements.
- (6) Recalls of released capacity will not be permitted to bump already scheduled volumes for Replacement Shippers unless the Replacement Shippers are provided with at least one opportunity to reschedule any bumped volumes.
- (7) Pipeline shall have no liability to any party in relying on the recall and repeat instructions and conditions specified by the Releasing Shipper, except to the extent that such party establishes that Pipeline acted negligently.
- (8) Any Releasing Shipper will have the right to withdraw its Notice any time prior to the close of the Bid Period associated with such Releasing Shipper's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing

Shipper's Notice have been made. The Releasing Shipper's Notice will be legally binding on the Releasing Shipper until the written or electronic notice of withdrawal is received by Pipeline.

(c) Obligations of Replacement or Prearranged Shippers

- (1) The Replacement Shipper (including a Prearranged Shipper) must satisfy all other Pipeline tariff provisions governing Shipper eligibility and must execute all required agreements and acknowledgments before it may contract with Pipeline for the released capacity. Any bid submitted will legally bind the Replacement Shipper to the terms of the bid if Pipeline chooses such bid as the Best Bid until written or electronic notice of withdrawal is received by Pipeline. Once the Replacement Shipper executes a Service Agreement with Pipeline, the Replacement Shipper becomes an existing Shipper like any other Shipper and is subject to the applicable provisions of Pipeline's FERC Gas Tariff, including but not limited to Pipeline's billing and payment and operational provisions.
- (2) In addition, the Replacement Shipper as an existing Shipper may subsequently release its capacity pursuant to this Section 8.11 as a secondary release and thereby become a Releasing Shipper. Secondary release shall be subject to the right of recall if the initial Releasing Shipper retained the right of recall.
- (3) Pipeline must permit Replacement Shipper to submit a nomination at the earliest nomination opportunity after the acquisition of capacity. If the Pipeline requires the Replacement Shipper to enter into a Service Agreement, the contract must be issued within one hour after the Pipeline has been notified of the release, but the requirement for contracting must not inhibit the ability of the Replacement Shipper to submit a nomination at the earliest available nomination opportunity. In the event Shipper has not executed a Service Agreement prior to making its nomination, Shipper will be deemed to have executed Pipeline's pro forma FT Service Agreement. Pipeline must be informed of a non-biddable Prearranged Release at least one hour prior to the nomination cycle in order for the Replacement Shipper to nominate at that opportunity.

8.11.7 Billing

- (a) Pipeline will bill the Shipper releasing capacity the amount it is obligated to pay Pipeline for (1) Reservation Rate, (2) usage charge(s) and (3) surcharges, imbalances and/or other volumetric costs attributable to any capacity retained by such Releasing Shipper and Pipeline shall credit the invoice of the Releasing Shipper an amount equal to such charges attributable to capacity rights released by such Shipper ("Credit Back"); provided, however, Pipeline shall have the right to reverse such Credit Back and to charge applicable carrying charges to the Releasing Shipper in the event Pipeline is not paid such charges for the released capacity on a timely basis.

Pipeline shall notify a Releasing Shipper in the event a Replacement Shipper (including a Prearranged Shipper) fails to pay part of or all of the amount of any invoice for service provided when such amount is due in accordance with GT&Cs Section 8.19. Except in the case of a permanent release, the Releasing Shipper shall be liable to Pipeline for all charges incurred by such Replacement or Prearranged Shipper under the new Service Agreement, but not for any charges incurred for any additional transportation or other services not included within the released capacity.

- (b) Notwithstanding the foregoing, Pipeline shall be entitled to bill an agreed upon amount when Pipeline, at the request of Releasing Shipper, takes other action to market such Shipper's released capacity beyond posting the information on the Pipeline's Internet Web Site and locates the Replacement Shipper. Pipeline will not be compensated if it does not locate the Replacement Shipper, such as where the Releasing Shipper has a prearranged deal or where a Replacement Shipper accepts a posted Releasing Shipper's Notice without Pipeline actively marketing that released capacity.

8.11.8 Terms of Release

- (a) Capacity released and available for resale by Pipeline under this Section 8.11 shall consist of Releasing Shipper's MDRQ specified in Releasing Shipper's Notice at the Receipt Points specified therein, and Shipper's MDDQ specified in such notice for the Delivery Points specified therein, and the MDTQ associated therewith. The Replacement Shipper acquiring capacity released under this Section 8.11 may use other Receipt Points and Delivery

Points only as allowed under the applicable Rate Schedule and Service Agreement. Replacement and Releasing Shippers will each be permitted to reserve Primary Receipt Point(s) up to one-hundred percent (100%) of their respective contract demand and Primary Delivery Point(s) up to one-hundred percent (100%) of their respective contract demand. Unless the Release is permanent and with no rights of recall or the Releasing Shipper has permitted a relocation of Primary Receipt Point(s) and/or Primary Delivery Point(s) pursuant to its posting set forth in Section 8.11.2(p), the new Service Agreement may not be amended to change Receipt Points or Delivery Points. If changes to the Primary Receipt Point(s) or Primary Delivery Point(s) are permitted during the term of a temporary Release and such capacity is available pursuant to GT&Cs Section 8.2.3(b) and Section 5.4 of Rate Schedule FT, any such changes shall be permanent and Releasing Shipper will only be entitled to relocate to its original Primary Receipt Point(s) or Primary Delivery Point(s) upon the expiration of the Release to the extent such capacity is available, and as provided under Section 5.4 of Rate Schedule FT and Section 8.2.3 of the GT&C.

- (b) Secondary Release resold under this Section 8.11, including capacity resold under the bidding exception of Section 8.11, shall be subject to the maximum rates (to the extent such Secondary Release is for a term of longer than one year), including any applicable surcharges, set forth in Section 4 of this Tariff for the applicable Rate Schedule. If Releasing Shipper specifies that the capacity may be released on a volumetric rate basis, the volumetric rate for the release shall apply only to the reservation portion of the rate and shall be subject to the maximum volumetric rates set forth in Section 4 for the applicable Rate Schedule if such release is for a term of longer than one year. Capacity released subject to recall is firm service subject to the same maximum rates as capacity released not subject to recall.
- (c) Capacity released hereunder shall be acquired by the Replacement Shipper under the same Rate Schedule as that applying to the existing Service Agreement. Prearranged Shipper may nominate the released capacity at the earliest available nomination period after Pipeline is informed of the release. Replacement Shipper may nominate the released capacity at the earliest available nomination period after Pipeline posts the awarded capacity.

8.11.9 Requests to Purchase Capacity

- (a) Any party desiring to acquire firm capacity pursuant to the capacity release procedures of this Section must submit the following information to the Pipeline:
- (1) The Replacement Shipper's name and contact information;
 - (2) The Maximum Daily Quantity desired for transportation service;
 - (3) The desired commencement date and term of the service;
 - (4) The desired primary receipt and delivery points and the associated Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity for the service;
 - (5) The maximum rate(s) that Replacement Shipper will pay for the service;
 - (6) Whether Replacement Shipper will accept a release with recall rights, and if so, what recall rights would be acceptable; and
 - (7) Whether Replacement Shipper's request is contingent, and if so, the basis for the contingency.

The foregoing information shall be submitted through Replacement Shipper's submittal of a completed Request to Purchase Releasable Capacity Form, which can be found on Cameron Interstate Pipeline's informational website at <http://www.gasnom.com/ip/cameron/>.

Pipeline will post such information on its informational website for a period of one month or until a transaction is effected, whichever is shorter.

8.12 RESOLUTION OF IMBALANCES AND CASHOUT PROVISION

- 8.12.1 Definition of Transportation Imbalance. "Transportation Imbalance" shall mean the difference between a Shipper's allocated receipts at the Receipt Point(s) (adjusted for fuel) and allocated deliveries at the Delivery Point(s) under any firm or interruptible Service Agreement. All imbalances will be calculated on a daily basis.
- 8.12.2 Shipper shall cash out Transportation Imbalances created as a result of post-Month changes to prior Month receipt or delivery allocations, measurements or other adjustments at the reference prices applicable to the Month of gas flow pursuant to GT&Cs Section 8.12.7.
- 8.12.3 Netting. For each Month, all cumulative Transportation Imbalances will be netted among all Service Agreements under which the Shipper, the Imbalance Agent and the billable party coincide.
- 8.12.4 Trading. Trading of the previous Month's netted Transportation Imbalances will be allowed between Imbalance Agents (or the Shipper(s) if no Imbalance Agents exists) from the 1st calendar day until the end of the 17th Business Day following the end of the Month. Trading will be allowed when the resulting trade will reduce the Transportation Imbalances for each Shipper or their Imbalance Agent. There will be no fee for trading.
- 8.12.5 Final Resolution of Transportation Imbalances. If Shipper has a Transportation Imbalance remaining after the close of the trading period, such imbalance will be cashed out in accordance with the cash out provisions set forth in GT&Cs Section 8.12.
- 8.12.6 Shipper or their agents may nominate transactions (in accordance with GT&Cs Section 8.5) during the Month to correct Transportation Imbalances. Third parties may offer imbalance management services to Shippers on Pipeline's system. Pipeline's ability to receive or deliver Transportation Imbalance quantities shall be dependent upon Pipeline's physical operations, and Pipeline is under no obligation to allow receipt or delivery of such quantities for resolution of Transportation Imbalances if it determines, in its sole opinion, such activity would jeopardize pipeline operations or impede Pipeline's ability to meet any of its service obligations to its other customers.
- 8.12.7 Resolution of Monthly Transportation Imbalances and Cashout
- (a) All Transportation Imbalances accrued by Shipper under its Service Agreements shall be resolved on a monthly basis pursuant

to the provisions herein. After each Month, Pipeline will calculate the Transportation Imbalances which exist between the quantities of gas allocated each Gas Day to Shipper for its account at the Receipt Point(s) during that Month and the quantities of gas allocated each Gas Day to Shipper for its account at the Delivery Point(s) during that Month. All Transportation Imbalances (over-deliveries and under-deliveries to Pipeline) accrued by Shipper under all Service Agreements (or any such agreements under which Shipper has been appointed imbalance aggregation agent with authority to make and receive payments under this section) will be combined to derive a "Net Monthly Imbalance" (in Dth) for purposes of the following calculations.

Shipper's Net Monthly Imbalance then will be divided by the lesser of: (i) the actual Dths of gas received or (ii) the actual Dths of gas delivered under all such agreements during the Month to produce Shipper's Net Imbalance Percentage for the Month.

- (b) Subject to the provisions of GT&Cs Sections 8.12.3 and 8.12.4, if Shipper has accrued a Net Monthly Imbalance such that the total quantities of gas received by Pipeline for Shipper's account during the Month are less than the total quantities of gas delivered by Pipeline for Shipper's account during the Month ("Negative Imbalance") and such Net Monthly Imbalance is greater than 1,000 Dth, Pipeline shall sell Shipper gas equal to such Negative Imbalance and Shipper shall pay Pipeline for Shipper's Net Monthly Imbalance at the following prices specified for Shipper's Net Imbalance Percentage for the Month:

(1) Shipper's Net Imbalance Percentage

	<u>Price</u>
0 to 2%	100% of Applicable Price
2 to 5%	105% of Applicable Price
5 to 10%	115% of Applicable Price
10 to 15%	125% of Applicable Price
15 to 20%	140% of Applicable Price
20%	150% of Applicable Price

The Applicable Price shall be the High Price as defined in GT&Cs Section 8.12.7(d) plus the transportation charges under Rate Schedule IT.

For purposes of determining the tier at which a Transportation Imbalances will be cashed out, the price will apply only to quantities within a tier. For example, if

there is a 6% Transportation Imbalance, quantities that comprise the first 2% of the Transportation Imbalance are priced at 100% of the Applicable Price, quantities comprising 3% of the Transportation Imbalance are priced at 105% of the Applicable Price, and quantities comprising the remaining 1% of the Transportation Imbalance are priced at 115% of the Applicable Price.

(2) Subject to the provisions of GT&Cs Sections 8.12.3 and 8.12.4, if Shipper's Net Monthly Imbalance is less than or equal to 1,000 Dth, Shipper shall pay Pipeline for Shipper Net Monthly Imbalance at the Applicable Price.

(c) Subject to the provisions of GT&Cs Sections 8.12.3 and 8.12.4, if Shipper has accrued a Net Monthly Imbalance such that the total quantities of gas received by Pipeline for Shipper's account during the Month are greater than the total quantities of gas delivered by Pipeline for Shipper's account during the Month ("Positive Imbalance") and such Net Monthly Imbalance is greater than 1,000 Dth, Pipeline shall purchase such Positive Imbalance from and pay Shipper for its Net Monthly Imbalance at the following prices specified for Shipper's Net Imbalance Percentage for the Month:

(1) Shipper's Net Imbalance Percentage

	<u>Prices</u>
0 to 2%	100% of Applicable Price
2 to 5%	95% of Applicable Price
5 to 10%	85% of Applicable Price
10 to 15%	75% of Applicable Price
15 to 20%	60% of Applicable Price
20%	50% of Applicable Price

The Applicable Price shall be the Low Price as defined in GT&Cs Section 8.12.7(d).

For purposes of determining the tier at which a Transportation Imbalance will be cashed out, the price will apply only to quantities within a tier. For example, if there is a 6% Transportation Imbalance, quantities that comprise the first 2% of the Transportation Imbalance are priced at 100% of the Index Price, quantities comprising 3% of the Transportation Imbalance are priced at 95% of the Applicable Price, and quantities comprising the remaining 1% of the Transportation Imbalance are priced

at 85% of the Applicable Price.

- (2) Subject to the provisions of GT&Cs Sections 8.12.3 and 8.12.4, if Shipper's Net Monthly Imbalance is less than or equal to 1,000 Dth, Shipper shall pay Pipeline for Shipper's Net Monthly Imbalance at the Applicable Price.
- (3) In the event Shipper owes Pipeline any payments under subsection (b) above from a previous Month which are past due, Pipeline shall have the right hereunder to offset payments it owes to Shipper under this subsection (c) by such past due amounts (inclusive of interest).
- (d) The "Low Price" is equal to the lowest of the prices among the Index Prices for the Month in which Shipper's Net Monthly Imbalance was incurred.

The "High Price" is equal to the highest of the prices among the Index Prices for the Month in which Shipper's Net Monthly Imbalance was incurred.

The "Index Prices" are the prices published by the following publications as determined below:

- (1) Natural Gas Intelligence Gas Price Index, "Louisiana", "Average", "Transo St. 65";
- (2) Platt's Inside F.E.R.C.'s Gas Market Report, "Transcontinental Gas Pipe Line Corp.", "Index", "Zone 3";
- (3) Natural Gas Intelligence Gas Price Index, "Louisiana", "Average", Trunkline W.LA"; and
- (4) Platt's Inside F.E.R.C.'s Gas Market Report, "Trunkline Gas Co.", "Index", "Louisiana".

With respect to Platt's Inside F.E.R.C.'s Gas Market Report, Pipeline will use the posted prices published for only the first of the Month following the Month in which Shipper's Net Monthly Imbalance was incurred. With respect to Natural Gas Intelligence Gas Price Index, Pipeline will use the posted prices published in all of the weekly issues of Natural Gas Intelligence Gas Price Index published during the Month in which Shipper's Net Monthly Imbalance was incurred and the first issue of said publication published during the following Month.

In the event any of these publications or specific postings contained therein is discontinued, Pipeline will revise this Section 8.12.7(d) to substitute another price index generally accepted in the natural gas industry. Until Pipeline receives approval from the Commission to use such substitute index, Pipeline will continue to use the Index Prices each Month based on the remaining indices.

Pipeline shall not calculate Shipper's Net Imbalance Percentage under GT&Cs Section 8.12.7(a) for a Month until all trades for such Month are completed pursuant to GT&Cs Section 8.12.4.

- 8.12.8 Transportation Imbalance Cash-Out Revenue. Pipeline will refund or carry forward, for each calendar year, any difference between the revenues received by Pipeline and the costs incurred by Pipeline as a result of cashing out Transportation Imbalances. To the extent the difference between such revenues and costs during any calendar year, plus any amounts carried over from prior years, is less than Four Hundred Thousand Dollars (\$400,000), Pipeline shall carry forward the difference to the next calendar year. To the extent the difference, inclusive of carried over amounts, is greater than Four Hundred Thousand Dollars (\$400,000), Pipeline shall refund or invoice each Shipper on Pipeline's system in proportion to such Shipper's use of Pipeline's system during such calendar year within one-hundred twenty (120) Days after the end of the calendar year.
- 8.12.9 The monthly cash out provisions set forth herein apply to the extent that a Transportation Imbalance is not caused by events of force majeure, as defined in Section 8.21 of the GT&Cs, or not caused by Pipeline negligence.
- 8.12.10 Daily Imbalance Penalty and Calculations. Pipeline shall post on its Internet Web Site, on a timely basis, the daily imbalance status of each Shipper, as well as the imbalance of the system as a whole. If a daily imbalance threatens the operational integrity of Pipeline's system thus warranting the issuance of an OFO, Pipeline shall post a Critical Mode notice. During an OFO if a Shipper's daily imbalance is greater than a 2% variance between the actual receipts and actual deliveries on Pipeline's system, Shipper shall pay the higher of \$20.00 or two times the cost of gas for every Dth above the 2% variance. The cost of gas shall be the Daily Gas Index Price for the higher of: (a) the Gas Day of receipt and delivery, (b) the Gas Day preceding receipt or delivery, or (c) the Gas Day following receipt and delivery, as applicable. Shipper shall not be obligated to also pay the \$20.00 penalty set forth in GT&Cs Section 8.9.3, the unauthorized daily overrun penalty under GT&Cs Section 8.7.7,

the unauthorized daily underdelivery penalty under GT&Cs Section 8.7.8, or the scheduling penalty under GT&Cs Section 8.7.9, if the Section 8.12.10 penalties are imposed for the same infraction.

- 8.12.11 Pipeline is not providing a gas supply service under any Rate Schedule of Pipeline's Tariff. Without limiting the foregoing, Pipeline may engage in Operational Transactions as permitted by Section 8.44 of this Tariff.

8.13 POOLING SERVICE

- 8.13.1 At Pipeline's discretion, Pipeline may provide Pooling Service on a non-discriminatory basis to any Shipper who complies with the requirements described herein. If Pipeline offers Pooling Service, Shippers may request Pooling Service by completing a Transportation Request Form and submitting the credit information described in GT&Cs Section 8.2.5. Upon receipt of all of the required information and determination of creditworthiness, Pipeline shall prepare and tender to the requesting party a Pooling Service Agreement. The Pooling Service Agreement must be executed before Shipper can nominate gas into or out of the pool. The Pooling Service Agreement shall terminate automatically if no nominations are made within thirty (30) days after Shipper executes the Agreement. Pooling Service must commence within ninety (90) days of the date of the original Service Request.
- 8.13.2 Pipeline may designate a paper pooling point ("Pool") on Pipeline's system for every Pooling Service Agreement executed pursuant to this Section. The Pool is not a physical point on Pipeline's system, but is to be used solely for nomination and scheduling purposes in order to allow Shipper to aggregate gas supplies from multiple Receipt Points to a single virtual point ("Aggregation Nomination") and to disaggregate gas supply from a pool to multiple Delivery Points ("Disaggregation Nomination") on Pipeline's system. A Shipper will nominate gas volumes from one or more Receipt Points to the Pool utilizing its Pooling Service Agreement in order to aggregate supplies. A Shipper may utilize any number of Service Agreements or Capacity Release Agreements to transport gas out of the Pool. A Shipper must nominate all gas volumes in a Pool to the Delivery Point(s) on the same Gas Day.
- 8.13.3 Nominations to and from the Pool will be subject to the same nomination and confirmation procedures as all other receipts and deliveries on Pipeline's System, as more particularly described in GT&Cs Section 8.5.4.
- 8.13.4 For purposes of allocating volumes to the Pooling Service Agreement, all Aggregation Nominations will be considered received by the Pool. Total daily quantities of gas delivered to the Pool under the Aggregation Nomination must equal the total daily quantity of gas nominated on the Disaggregation Nomination at the Pool for each Pooling Service Agreement.
- 8.13.5 Pipeline shall have the right to balance any discrepancy between the sum of the Aggregation Nominations for a Gas Day and the sum of the Disaggregation Nominations for that Gas Day, and to apply overrun

charges, as set forth in GT&Cs Section 8.7.

- 8.13.6 Pipeline will balance any discrepancy between the sum of the Aggregation Nominations for a Gas Day and the sum of the Disaggregation Nominations for that Gas Day prior to conclusion of the final nomination cycle by adjusting the scheduled deliveries of the Aggregation Nomination and Disaggregation Nominations as appropriate. Pipeline shall use Shipper's schedule ranks on the Aggregation Nominations to make said adjustments.
- 8.13.7 The transportation charges and fuel percentage under the applicable Service Agreements will be charged to transport gas under the related Pooling Service Agreement(s) from the Pool. Pipeline reserves the right to file to implement charges to recover any and all costs of providing the pooling service described hereunder.
- 8.13.8 Where Pipeline provides Pooling Service, Pipeline shall accommodate Title Transfer Tracking ("TTT") at all pooling points where TTT service is requested. Title Transfer Tracking is the process of accounting for the progression of title changes from party to party that does not affect a physical transfer of the gas. TTT service shall be made available to Shipper executing a Title Transfer Tracking Agreement subject to the nomination and scheduling provisions of GT&Cs Sections 8.5 and 8.6.

8.14 QUALITY OF GAS

The provisions set forth in this Section 8.14 shall apply to all gas received or delivered by Pipeline.

8.14.1 If Shipper injects, transports or delivers gas to Pipeline not conforming to the quality specifications in this Section 8.14, Shipper will be responsible for and shall indemnify, and hold harmless Pipeline with respect to any claims (including attorney's fees), losses, and damages (including punitive damages) and injuries (property and environmental damage and personal injury, including death) to property of Pipeline or third persons as a result of the non-conforming gas. Pipeline may clean up and/or repair the damaged facility at Shipper's expense. Shipper must reimburse Pipeline for any costs, liabilities and expenses incurred by Pipeline as a result of Shipper's non-compliance except for claims, losses, damages and injuries resulting from Pipeline's negligence. Pipeline may notify the Shipper of receipt of non-conforming gas and thereafter suspend receipt of any such gas. Shipper receiving such notice must make diligent efforts to correct the failure by treatment or dehydration consistent with prudent operation in order to deliver conforming gas.

8.14.2 Notwithstanding any of the requirements in this Section 8.14, Pipeline shall have no obligation to accept gas from Shipper if that gas does not meet the most stringent requirements of any downstream interconnected pipeline.

8.14.3 Natural or Artificial Gas. The gas received or delivered by Pipeline hereunder shall be a combustible gas consisting wholly of, or a mixture of:

- (a) Natural gas of the quality and composition produced in its natural state except that the Pipeline may extract or permit the extraction of any of the constituents thereof except methane, as set forth in detail in GT&Cs Section 8.14.6.
- (b) Gas generated by vaporization of Liquefied Natural Gas ("LNG").
- (c) Manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil and gas fields with physical properties such that when the artificial pipeline gas is commingled with natural gas, the resulting mixture is indistinguishable from natural gas complying with specifications under this Tariff.

8.14.4 Total Heating Value

- (a) No gas tendered hereunder shall have a Total Heating Value at the Receipt Point below 980 Btu per cubic foot ("BTU/CF") and no more than 1100 BTU/CF.
- (b) The total heating value shall be determined by gas chromatographic analysis using the most recent AGA standards or any revision thereof, accepted industry standards, or other methods mutually agreed upon by Shipper and Pipeline.

8.14.5 Merchantability

The gas shall be commercially free, under continuous gas flow conditions, from objectionable odors (except those required by applicable regulations), solid matter, dust, gums, and gum forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators or other appurtenances through which it flows, or their operation.

8.14.6 Composition

- (a) Oxygen. The gas shall not have an uncombined oxygen content in excess of two tenths (0.2) of one percent (1%) by volume, and both parties shall make every reasonable effort to keep the gas free from oxygen.
- (b) Non-Hydrocarbon Gases. The gas shall not contain more than four percent (4%) by volume, of a combined total of non-hydrocarbon gases (including carbon dioxide and nitrogen); it being understood, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume.
- (c) Liquids. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received and delivered.
- (d) Hydrogen Sulfide. The gas shall not contain more than one fourth (1/4) grains of hydrogen sulfide per one-hundred (100) cubic feet.
- (e) Total Sulphur. The gas shall not contain more than twenty (20) grains of total sulphur, excluding any mercaptan sulphur, per one-hundred (100) cubic feet.

- (f) Temperature. The gas shall not have a temperature of more than one-hundred twenty degrees (120°) Fahrenheit or less than thirty-five degrees (35°) Fahrenheit.
- (g) Water Vapor. For gas received into Pipeline's system, such gas shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.
- (h) Liquefiable Hydrocarbons. The gas shall not contain liquid hydrocarbons or hydrocarbons liquefiable at temperatures warmer than 15°F and normal pipeline operating pressures of 100 - 1440 Psig. To the extent that Pipeline can accept hydrocarbons that are liquefiable at lower temperatures, Pipeline will post notice of such acceptability on its Internet Web Site.
- (i) Microbiological Agents. The gas shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria ("SRB") and acid producing bacteria ("APB"). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute ("API") test method API - RP38 or any other test method acceptable to Pipeline and Shipper which is currently available or may become available at any time.

8.14.7 If the gas tendered for Shipper's account to Pipeline shall fail at any time to conform to any of the specifications set forth in GT&Cs Section 8.14, the tariff of any downstream interconnected pipeline or in Pipeline's reasonable judgment, may cause harm to its facilities or diminish the quality of gas in the system, then Pipeline shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality deficient gas. In the event Pipeline refuses to accept gas tendered by Shipper because such gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Rate provided for in Shipper's Service Agreement. If the gas tendered by Pipeline for Shipper's account shall fail at any time to conform to any of the specifications set forth in GT&Cs Section 8.14 or the tariff of the relevant downstream pipeline(s) then Shipper shall notify Pipeline of such deficiency and may, at its option, refuse to accept delivery pending correction by Pipeline.

8.14.8 Notwithstanding the requirements set forth in GT&Cs Section 8.14, Pipeline may allow Shipper to tender for service or cause to be tendered,

pursuant to a Service Agreement under Pipeline's rate schedules, gas which does not when injected into Pipeline's system meet the specifications set forth in GT&Cs Section 8.14; provided, however, Pipeline's acceptance of such gas shall not adversely impact Pipeline's system facilities or operations. Pipeline shall implement this Section 8.14.8 on a non-discriminatory basis; provided, however, Pipeline's firm transportation Shippers shall have priority over interruptible transportation Shippers under this Section 8.14.8.

8.14.9 Pipeline shall have the unqualified right to commingle gas transported hereunder with gas from other sources, and to treat and handle all such gas as its own. It is recognized that gas delivered may not be the same molecules as those received at the Receipt Point. The quantities of gas delivered hereunder at the Delivery Point(s) shall be thermally equivalent to the quantities of gas received at the Receipt Point(s) for transportation less the Fuel Retainage Percentage.

8.14.10 Pipeline posts gas quality information as follows:

- (a) Pipeline provides on the Informational Postings portion of its interactive website a link to the natural gas quality provisions in these GT&Cs.
- (b) Pipeline provides on the Informational Postings portion of its interactive website daily average gas quality information for prior day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified locations(s) is provided in a downloadable format. Information is reported in units as specified in these GT&Cs. In any event, compliance with gas quality requirements is in accordance with Pipeline's GT&Cs. The following are examples of gas quality attributes that could be included in the posting for the applicable Gas Day(s) and locations(s): Heating Value, Hydrocarbon Components, % of C1 - Cnn, as used in determining Heating Value, Specific Gravity, Water, Nitrogen, Carbon Dioxide, Oxygen, Hydrogen, Helium, Total Sulfur, Hydrogen Sulfide, Carbonyl Sulfide, Mercaptans, Mercury and/or other contaminants being measured, and other pertinent gas quality information that is specified in Pipeline's GT&Cs.
- (c) Data posted pursuant to the prior paragraph are made available on Pipeline's Interactive Website for the most recent three-month period. Beyond the initial three-month period, the historical data are made available offline in accordance with regulatory requirements. Such posted data are provided in a tabular downloadable file described by Pipeline in the posting. The first

row of the file contains the column headers. For any location(s), Pipeline may, at its discretion, elect to provide gas quality information in addition to that specified in the prior paragraph. Pipeline may choose how to provide this information.

8.15 PRESSURE OF GAS

8.15.1 Receipt Pressure Obligations. Shipper shall deliver gas or cause gas to be delivered to Pipeline for Shipper's account at the Receipt Point(s) at the pressure conditions specified in the effective Service Agreement(s); provided, that Pipeline shall not be obligated to reduce the pressures in its facilities at such Receipt Points below the pressures which it determines, in its sole judgment, are required from time to time for the operation of its facilities. If no Receipt Point pressure conditions are specified in the effective Service Agreement(s), Shipper shall deliver gas to Pipeline at the pressure then prevailing on Pipeline's system at the applicable receipt point.

8.15.2 Delivery Pressure Obligations. Pipeline shall deliver gas hereunder for Shipper's account at the Delivery Point(s) at the pressure conditions specified in the effective Service Agreement. Pipeline shall not be obligated to deliver gas at any time at a pressure in excess of the Maximum Allowable Operating Pressure ("MAOP") for Pipeline's facilities or downstream pipeline facility's MAOP at such Delivery Point(s). The acceptable pressure conditions at a Delivery Point may be set forth in Shipper's Service Agreement on Exhibit B. In addition, Pipeline and Shipper may specify in the Service Agreement a minimum delivery pressure obligation at any Delivery Point, and Pipeline shall not reduce the pressures in its facilities at such Delivery Point(s) below such minimum delivery pressure obligation. If no Delivery Point pressure conditions or obligations are specified in the effective Service Agreement(s), Pipeline shall deliver gas to Shipper at the pressure then prevailing on Pipeline's system at the applicable Delivery Point.

8.15.3 In no event shall Pipeline be responsible for over-pressure protection on any facilities of Shipper(s).

8.16 MEASUREMENT & MEASUREMENT EQUIPMENT

8.16.1 Determination of Quantity. The quantity of gas received and delivered by Pipeline for Shipper's account hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom provided in GT&Cs Section 8.16.1(i) and shall be determined as follows:

- (a) The unit of measurement for the purpose of service under any of Pipeline's rate schedules shall be one (1) Dth. The number of Dths delivered shall be determined by multiplying the number of Cubic Feet of gas received or delivered, measured on the measurement basis hereinafter specified, by the Total Heating Value of such gas, in Dths per Cubic Foot.
- (b) The unit of quantity for the purpose of measurement shall be 1 Cubic Foot of gas at a temperature of 60° Fahrenheit, at a pressure of thirty-three hundredths pounds per square inch (0.03 PSI) gauge and an atmospheric pressure of 14.7 PSI, resulting in an absolute pressure of 14.73 pounds per square inch.
- (c) The unit of weight for the purpose of measurement shall be one (1) pound mass of gas.
- (d) The average absolute atmospheric pressure shall be assumed to be 14.7 pounds per square inch.
- (e) The temperature of the gas passing through the meters shall be determined by the use of electronic transducers, recording thermometer or other temperature measuring devices. The instantaneous measurement from the electronic measurement equipment or the arithmetic average of the temperature recorded each Gas Day shall be used in computing gas quantities.
- (f) The specific gravity of the gas flowing through the meters shall be determined by gas chromatographic analysis, recording gravitometer, or continuous or spot sampling methods, unless otherwise mutually agreed upon by Shipper and Pipeline. The arithmetic average of the specific gravity recorded during each Gas Day shall be used in computing gas quantities or other periodic measurements within a shorter time frame or instantaneous specific gravity measurements may be applied to metering instruments to provide the quantity computation.
- (g) When orifice meters are used, the computation of quantities of gas

delivered shall be in accordance with the recommendations as published by the American Gas Association's Report No. 3, "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids" (ANSI/API 2530), and any subsequent modifications or amendments thereof as may be mutually agreed upon by Shipper and Pipeline.

- (h) The arithmetic average of the Total Heating Value recorded each Gas Day and as adjusted to conditions as specified in the definition of Total Heating Value in GT&Cs Section 8.1, or other periodic measurements within a shorter time frame as Pipeline shall select, shall be used for computations.
- (i) The deviation of the gas delivered hereunder from Boyle's and Charles' Laws shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association's Report No. 3, Revised 1994 and the American National Standards Institute as Pipeline deems to be in accordance with accepted industry practice.

8.16.2 Measurement Operations and Equipment. Measurement operations shall include, but not be limited to, the operation, calibration and testing of the Remote Terminal Unit ("RTU"), transducers, chart recorders, meter runs, gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. Pipeline may allow Shipper or third parties the right to perform measurement operations, provided, however, such Shipper or third party shall furnish to Pipeline all data required for flow computation and meet Pipeline's measurement and operating standards; and provided, further, such Shipper or third party which performs such measurement operations shall be responsible for any and all associated costs of such measurement operations unless otherwise agreed by Pipeline and Shipper or third party. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Shipper and Pipeline. Measurement equipment shall be installed, operated and maintained at or on each interconnection of Pipeline's facility with facilities of third parties; provided, however, Pipeline shall have the right to require and may install or cause to be installed electronic gas measurement and control equipment at all points.

- (a) Where orifice measurement equipment is to be used, it shall utilize "Flange Tap Connections" and the static pressure shall be measured at the downstream flange tap connection.
- (b) An electronic temperature transducer, a recording thermometer or

other mutually acceptable device shall be installed at the measuring station to measure the flowing gas temperature.

- 8.16.3 Access to Equipment and Records. Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.
- 8.16.4 Pressure Protection. Pressure regulation, pressure override and pressure relief valve or other pressure limiting devices installed and operated by Pipeline at the measuring station or at or near each interconnection of Pipeline's facilities with facilities of third parties shall only be for the purpose of operation and protection of Pipeline's measurement equipment and Pipeline's facilities.
- 8.16.5 Test of Meters. The accuracy of the Pipeline's and Shipper's measurement equipment shall be verified by Pipeline and Shipper at reasonable intervals and, if requested, in the presence of representatives of the Pipeline and Shipper.
- (a) Pipeline and Shipper shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) Gas Day period.
 - (b) Pipeline and Shipper shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) Gas Day period.
 - (c) Pipeline and Shipper shall not be required to verify the accuracy of the gas chromatograph or other heating value measurement device more frequently than once in any thirty (30) Gas Day period.
 - (d) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.
- 8.16.6 Measurement Equipment Inaccuracy and Failure. The quantity of gas received and delivered by Pipeline and delivered to Shipper or for Shipper's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated

as follows:

- (a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of gas hereunder, is found to be in error to the extent that it introduces measurement error in the individual measurement equipment affected, as set forth below, previous records of such equipment shall be considered accurate:
 - (i) 1% for measuring equipment utilized to determine volume;
 - (ii) 1% for measuring equipment utilized to determine relative density; and
 - (iii) 0.5% for measuring equipment utilized to determine gross heating value.

- (b) If, upon test, any such measurement equipment is found to be in error, to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error, by an amount exceeding the percentages set forth above at a recording corresponding to the average hourly rate of flow through the instrument(s) in the period since the last preceding test, then any registrations, integration or computed quantities of such instrument(s) affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) Gas Days where orifice measurement equipment is used in the computation of quantity and not exceeding forty-five (45) Gas Days where other measurement equipment is used; and

- (c) Where the quantity of gas for a period cannot be corrected with accuracy, the quantity of gas shall be estimated:
 - (i) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or in the absence of such facilities,
 - (ii) By correcting the error, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable,

- (iii) By relating the quantity of receipt or delivery to receipts or deliveries during periods under similar conditions when the measurement equipment was deemed to have been registering accurately.

8.16.7 Preservation of Records. Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records or such longer period as may be required by any duly constituted authority having jurisdiction.

8.16.8 Flow Control. The Pipeline shall control flow of gas into and out of its facilities at all measurement facilities, but may allow the following if all of Pipeline's operating standards and requirements are met: (a) Pipeline may allow third parties to control flow into the Pipeline's facilities, but reserves the right to override the third party's flow control equipment, and (b) Pipeline may allow third parties to control flow out of the Pipeline's facilities, but reserves the right to override the third party's flow control equipment.

8.16.9 Maintenance

- (a) Major Maintenance shall include, but not be limited to, the repair or replacement of major components and equipment required to support the Measurement Operations.
- (b) Routine Maintenance shall be the normal day-to-day maintenance required to support the measurement operations or necessary to upkeep the measurement facility and shall include, but not be limited to, replacement of minor replacement parts for instrumentation, measurement equipment (including the RTU) and minor valves and piping.

Pipeline, which performs the measurement operations for the measurement facility, shall be responsible for such Major Maintenance and Routine Maintenance.

8.17 POSSESSION OF GAS

8.17.1 Control. Pipeline shall be deemed to be in control and possession of the gas hereunder upon receipt of such gas until it shall have been delivered for Shipper's account, and Shipper shall be deemed to be in control and possession of such gas prior to such receipt by Pipeline and after such delivery for Shipper's account.

8.17.2 Responsibility. Pipeline shall have no responsibility with respect to any gas deliverable hereunder until it is delivered into the facilities of Pipeline, or on account of anything which may be done, happen or arise with respect to such gas before such delivery and Pipeline shall have no responsibility with respect to such gas after its delivery to Shipper or for Shipper's account or on account of anything which may be done, happen or arise with respect to such gas after such delivery.

8.18 WARRANTY OF TITLE TO GAS

Shipper warrants that Shipper will at the time of receipt of the natural gas by Pipeline have good and merchantable title to all of the gas free and clear of all liens, encumbrances and claims whatsoever or good right to tender gas for transportation (and all necessary authorizations related thereto). Unless the Commission approves otherwise, title to the gas received by Pipeline for Shipper's account hereunder shall remain with Shipper during its transportation or storage by Pipeline, except where such claims arise out of Pipeline's negligence. Shipper agrees to indemnify and hold Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas prior to its delivery to Pipeline for Shipper's account and after its delivery by Pipeline for Shipper's account. Pipeline agrees to indemnify and hold Shipper harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas during and related to its transportation or storage by Pipeline for Shipper's account as a result of Pipeline's negligence.

8.19 BILLING AND PAYMENTS

8.19.1 Rendering of bills for service under Pipeline's Rate Schedules.

On or before the 10th day of each Month Pipeline shall render its bill for charges payable for gas service rendered during the preceding calendar Month. Such bill shall include reservation and usage charges, all surcharges, any cash out payments owed by Shipper for Transportation Imbalances and any penalty applicable to the Month for which the bill is rendered.

The charges as so billed for service rendered during the preceding Month shall be adjusted as set forth in GT&Cs Section 8.10.9 for failure to deliver due to force majeure or for other causes.

8.19.2 Billing Adjustments. Prior period adjustments shall not be made any later than 7 Months from the date of the initial bill with a 3-Month rebuttal period, excluding government required rate changes. The standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

8.19.3 Supporting Data. Upon written request, Pipeline and Shipper shall each deliver to the other for examination such pertinent records and charts as shall be necessary to verify the accuracy of any statement, chart or computation made by either of them under or pursuant to any of the provisions hereof, of the applicable rate schedule or of the Service Agreement.

8.19.4 Payment of Bills for Service under Pipeline's Rate Schedules. Except as otherwise hereinafter provided in this Section, Shipper shall pay to Pipeline by wire transfer of immediately available funds, on or before the 10th day after Pipeline's bill is rendered, provided, however, Shipper may make payment by check (in accordance with the aforementioned payment due dates) rather than by wire transfer if Pipeline's bill(s) for the preceding calendar Month does not exceed \$50,000.00.

If the normal payment date is a non-Business Day, then payment is due the following Business Day.

The Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment. The statement of account should report outstanding balances by invoice.

8.19.5 Failure to Pay. Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of such amount shall accrue at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Pipeline, in addition to any other remedy it may have, may notify a Shipper in writing of its nonpayment, allowing Shipper thirty days to make payment of any unpaid amount and to provide assurances satisfactory to Pipeline that such non-payment will not recur, and/or may suspend service under this Section 8.19.5 upon written notice to Shipper and the Commission.

If Shipper in good faith disputes the amount of any such bill or any part thereof, Shipper shall provide written notice of its dispute including documentation identifying the basis of dispute and shall either: (1) pay to Pipeline the full amount of such bill, subject to refund as described in GT&Cs Section 8.19.6, or (2) pay to Pipeline such amount as it concedes to be correct, and at any time thereafter within 30 days of a demand made by Pipeline, shall furnish good and sufficient surety bond from a surety on the U.S. Treasury approved list or from another source reasonably acceptable to Pipeline guaranteeing payment to Pipeline of the amount finally determined to be due. In the event Shipper pays such bill by wire transfer of funds, then Shipper shall provide Pipeline with the remittance detail in writing within two Business Days of payment. If, under option (2) as set forth in this paragraph, Shipper, at Pipeline's demand, posts a surety bond and the amount finally determined to be due is that amount which Shipper asserted in its written notice of its dispute as being the correct amount due, then Pipeline shall reimburse Shipper for the amount of the premium paid for the surety bond obtained by Shipper. Upon (1) payment of such bill in full in the manner hereinabove described or (2) the furnishing of such bond by Shipper (unless and until default be made in the conditions of such bond), Pipeline shall not be entitled to suspend service pending a determination of the final amount due. If Shipper provides notice of its dispute and fails to (1) pay all or any part of such bill or (2) furnish a bond, Pipeline may take action to suspend service in the manner hereinabove described. A final, non-appealable determination of the amount due may be reached either by agreement between the parties, FERC, or arbitration.

8.19.6 Over or Under Charges. If within 7 Months from the date of the initial bill with a 3-Month rebuttal period, it is found that Shipper has been overcharged or undercharged in any form whatsoever under the provisions hereof, and Shipper paid the bills containing such overcharge or undercharge, then within 30 days after the final determination thereof, Pipeline shall refund the amount of any such overcharge, or Shipper shall

pay the amount of any undercharge, with interest thereon at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the time such overcharge was paid, or the payment due date in respect of the invoice containing such undercharge, to the date of refund.

8.19.7 Delayed Bills. If rendition of a bill by Pipeline to Shipper is delayed beyond the date specified in GT&Cs Section 8.19.1, the Shipper shall pay such bill by within 10 days after rendition thereof.

8.20 TERMINATION FOR DEFAULT

8.20.1 If either Pipeline or Shipper shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement, then in such event the other party may at its option terminate such agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have twenty (20) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of twenty (20) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnify bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within 10 days after the end of such twenty (20) day period, then Pipeline may suspend service except in the case of Shipper's failure to pay in which case Pipeline's suspension of service will be governed by GT&Cs Section 8.19.5. After any necessary authorization by regulatory bodies having jurisdiction, the Service Agreement shall become null and void from and after the expiration of said period, provided the notice of termination has not been withdrawn prior thereto. Any cancellation of such agreement pursuant to the provision of this paragraph shall be without prejudice to the right of Pipeline to collect any amounts then due to it for service prior to the time of cancellation and shall be without prejudice to the right of Shipper to receive any service for which it has paid but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement. Failure to perform an act that is excused due to, inter alia, force majeure, does not constitute an event of default hereunder.

8.20.2 Prior to a termination for default, Pipeline may suspend service to any Shipper who fails to comply with the GT&Cs, the applicable Rate Schedule, or Shipper's Service Agreement. Pipeline's failure to invoke its right to terminate an agreement for default shall not be construed as a waiver of Pipeline's right to terminate service during any other period when Shipper is in violation of the terms of this tariff or of Shipper's Service Agreement.

8.21 FORCE MAJEURE AND LIMITATION ON OBLIGATION TO PROVIDE SERVICE

8.21.1 Relief from Liability. A party shall not be liable in damages to the other to the extent its performance is affected by an event of force majeure. Force majeure is defined to mean any act, omission or circumstance, occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy or terrorism, wars, blockades, insurrections, riots, epidemics, landslides, land subsidence, lightning, earthquakes, hurricanes, fires, storms, floods, washouts, and evacuation due to the threat of any of the foregoing arrests and restraints of rules and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, that is unexpected and not within the control of the party claiming suspension and which by the exercise of Good Utility Practice, reasonable care and due diligence such party is unable to prevent or overcome. An event of force majeure shall not include lack of finances, the price or loss or disturbance to natural gas supply, fuel supply or energy produced, or lack of markets. An event of force majeure shall include outages resulting from one-time, non-recurring government requirements, including special, one-time testing requirements after a pipeline failure, but shall not include outages necessitated by compliance with government standards concerning the regular, periodic maintenance activities Pipeline must perform in the ordinary course of business to ensure the safe operation of Pipeline's facilities, including the Pipeline and Hazardous Materials Safety Administration's integrity management regulations.

Good Utility Practice means any of the practices, methods, and acts engaged in or approved by a significant portion of the natural gas industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice does not require use of the optimum practice, method, or act, but only requires use of reasonable practices, methods, or acts generally accepted in the region where the Pipeline's facilities are located.

8.21.2 Liabilities not Relieved. Force majeure affecting performance by either party, however, shall not relieve it of liability to the extent of contributory negligence or misconduct or to the extent of its failure to use due diligence to remedy the situation and remove the cause in an adequate

manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule, except as provided in GT&Cs Section 8.10.9.

- 8.21.3 Scheduling of Maintenance. Pipeline shall have the right to interrupt, or discontinue service in whole or in part on all or a portion of its system from time to time to perform routine or major repair and maintenance on Pipeline's system as necessary to maintain the operational capability of Pipeline's system or to comply with applicable regulatory requirements. Pipeline shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Shippers and shall provide reasonable notice of the same to Shippers.
- 8.21.4 Compliance with Directives of Governmental Agencies. Whenever in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities, including, but not limited to, the Commission, the Department of Defense, the Department of Transportation, and the Environmental Protection Agency, Pipeline must curtail deliveries to Shipper and is unable to deliver to Shipper the quantities of gas which Shipper may then require up to the quantities of gas Pipeline is then obligated to deliver to Shipper, Pipeline shall not be liable in damages or otherwise to Shipper or any other person or entity for any such failure to deliver such quantities of gas to Shipper except to the extent the orders or directives were issued as a result of Pipeline's negligence.
- 8.21.5 Shipper Warranty. Shipper warrants that all upstream and downstream transportation and/or service arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream operators of the Receipt Point(s) and Delivery Point(s) under Shipper's Service Agreement(s) and any quantity and quality limitations for each point as specified on Exhibits A and B attached to the effective Service Agreement(s) or elsewhere in Pipeline's Tariff. Shipper agrees to indemnify and hold Pipeline harmless for refusal to transport gas hereunder in the event any upstream or downstream operator fails to receive or deliver gas as contemplated by this Tariff, except where such failure is caused by Pipeline's negligence. Shipper agrees to indemnify and hold Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorney's fees) arising from or out of breach of any warranty by Shipper herein, except where such actions are caused by Pipeline's negligence. Pipeline shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.
- 8.21.6 Effect of Interconnecting Operations. In the event that any upstream

entity involved in handling Shipper's gas refuses or is unable to deliver gas to Pipeline, Pipeline shall not be required to continue deliveries of gas on behalf of Shipper to the extent of such refusal or inability to deliver gas to Pipeline. In the event that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Pipeline, Pipeline shall have the right to reduce deliveries of gas on behalf of Shipper to the extent of such refusal or inability by the downstream entity to receive gas.

8.22 FUEL RETAINAGE PERCENTAGE

- 8.22.1 General. The Fuel Retainage Percentage shall be furnished in-kind by Shipper. The Fuel Retainage Percentage shall be the sum of two components: a Base Fuel Retainage Percentage and a Fuel Retainage Percentage True-Up Adjustment. The Base Fuel Retainage Percentage shall be determined pursuant to Section 8.22.2. The Fuel Retainage Percentage True-Up Adjustment shall be determined pursuant to Section 8.22.3. The Fuel Retainage Percentage in effect at any time shall be shown in Section 4.0 (Summary of Rates and Charges).
- 8.22.2 Base Fuel Retainage Percentage. Pipeline will calculate the Base Fuel Retainage Percentage in November of each year based on the prior 12-month period that covers November of the preceding year through October of the then current year. The Base Fuel Retainage Percentage will be calculated by dividing the Actual Fuel and Loss Quantity (as defined below) for the applicable 12-month period by the total transportation volumes scheduled in the same 12-month period. Pipeline will round the resulting percentage to the nearest 0.01%. As used herein the term “Actual Fuel and Loss Quantity” means the quantity of gas used for fuel, including compressor and heater fuel; gas used for maintenance; gas lost, gas for which the ownership cannot be reasonably identified; and unaccounted for gas. The Actual Fuel and Loss Quantity will include, without limitation, gas used or lost during an OFO issued pursuant to Section 8.9 or during a force majeure as described in Section 8.21.
- 8.22.3 Fuel Retainage Percentage True-Up Adjustment. Pipeline will calculate the Fuel Retainage Percentage True-Up Adjustment in November of each year based on the prior 12-month period that covers November of the preceding year through October of the current year. Pipeline will accumulate the quantity of gas received from Shippers pursuant to the Fuel Retainage Percentage during the applicable 12-month period and subtract from this quantity the Actual Fuel and Loss Quantity experienced on Pipeline’s system during the same period to determine the “True-Up Quantity.” The Fuel Retainage Percentage True-Up Adjustment will be calculated by dividing the True-Up Quantity by the total transportation volumes scheduled in the same 12-month period. Pipeline will round the resulting percentage to the nearest 0.01%.
- 8.22.4 Annual Filing. On or prior to December 1 of each year, Pipeline will make a limited rate filing with the Commission pursuant to Section 4 of the Natural Gas Act and Section 154.403 of the Commission’s regulations to adjust the Fuel Retainage Percentage to reflect the annual calculations of the Base Fuel Retainage Percentage and the Fuel Retainage Percentage

True-Up Adjustment, with such adjustment to the Fuel Retainage Percentage to become effective as of January 1 of the following year.

8.23 RATE AND TARIFF CHANGES

Pipeline shall have the unilateral right to seek, through a filing under Section 4 of the Natural Gas Act or otherwise, to make changes to its rates, charges, and GT&Cs. Shipper shall have the right to intervene and protest any such filing, and to exercise any rights available under Section 5 of the Natural Gas Act.

8.24 ANNUAL CHARGE ADJUSTMENT ("ACA")

8.24.1 Application. This Section of the GT&Cs is filed pursuant to Section 382.202 of the FERC Rules and Regulations and Order Nos. 472 and 776. This Section authorizes Pipeline to recover from Shippers the annual charge assessed to Pipeline by the Commission for Commission budgetary expenses. Pipeline shall recover this charge by assessing, in addition to Pipeline's transportation rates, a per unit rate equivalent to the per Dth charge assessed against Pipeline by the Commission. When Pipeline provides services to Shipper under multiple transaction arrangements on Pipeline's system, Pipeline will assess the ACA charge only once on the same quantities of gas.

8.24.2 Definitions

- (a) Effective Date. Pipeline shall adjust its ACA Charge annually to be effective each October 1.
- (b) Unit Rate. Pipeline's unit rate shall be the unit rate used by the Commission to determine the annual assessment to Pipeline adjusted, as appropriate, to a thermal basis.
- (c) Affected Rate Schedules. The affected rate schedules are all Rate Schedules contained in Pipeline's FERC Gas Tariff and all services performed under the Commission's Regulations.

8.24.3 Procedures to Determine ACA Charge Unit Rate. Pipeline shall determine the ACA Charge Unit Rate by using the unit rate used by the Commission to determine Pipeline's annual charge adjustment and adjust such rate, as appropriate, to a thermal basis. Pipeline shall round such Unit Rate to the nearest one-hundredth of one cent (\$0.0001).

8.24.4 The ACA Unit Rate authorized by the Commission each fiscal year, as published on the Commission's website at <http://www.ferc.gov>, is incorporated by reference.

8.25 PENALTY REVENUE SHARING

For each Month during each calendar year, Pipeline shall determine (a) each Shipper that has not incurred in that Month any of the penalties for unauthorized overruns or underdeliveries, failures to abide by an OFO or curtailment order and other misconduct (a "Non-Offending Shipper"), and (b) the penalty revenue net of costs collected by Pipeline during those Months in which there was a Non-Offending Shipper. Within 120 days after the end of each calendar year, Pipeline shall distribute such penalty revenue net of costs to Non-Offending Shippers on Pipeline's system. Only costs incurred as a result of a Shipper's unauthorized overrun or underdeliveries, failure to abide by an OFO and other misconduct and from the transactions that gave rise to the penalty amounts shall be deducted from the penalty revenue. Pipeline will refund such penalty revenue net of costs for a Month to a Non-Offending Shipper in such Month in proportion to the Non-Offending Shipper's use of Pipeline's system relative to the use of Pipeline's system by all Non-Offending Shippers during such Month. If such penalty revenue net of costs for a calendar year, plus any amounts carried over from prior years, is less than Four Hundred Thousand Dollars (\$400,000), then Pipeline may carry such balance of revenue forward to the next calendar year.

8.26 INTERRUPTIBLE AND AUTHORIZED OVERRUN SERVICE
TRANSPORTATION REVENUE SHARING

- 8.26.1 Pipeline shall credit the invoices of all maximum rate shippers utilizing the Expansion Facilities under Rate Schedules FT, IT, and PAL one hundred percent (100%) of the actual revenues, net of all variable costs, received by Pipeline in any fiscal year for services utilizing the Expansion Facilities under Rate Schedule IT, Rate Schedule PAL, and AOS, inclusive of interest as calculated in accordance with Section 154.501(d) of the Commission's regulations for the twelve months such net revenues were retained. Rate Schedule FT and IT Shippers utilizing the Original Facilities and Replacement Shippers that have obtained capacity on the Expansion Facilities shall not be eligible to receive credits under this section.
- 8.26.2 Credits calculated pursuant to Section 8.26.1 of the Tariff shall be in proportion to each respective Shipper's actual reservation revenue contribution to the total reservation revenue contribution of all Shippers utilizing the Expansion Facilities during the annual revenue crediting period.
- 8.26.3 Credits shall be made not later than the February statement following such fiscal year submitted to Shipper pursuant to Section 8.19 of Pipeline's Tariff.
- 8.26.4 Pipeline shall submit a report to the Commission regarding the crediting of revenues under this Section 8.26 no later than April 30 following the close of the previous reporting year.
- 8.26.5 Nothing in this Section 8.26 shall prohibit Pipeline from providing a credit of revenues received under Rate Schedules IT, PAL, and Authorized Overrun Service to a firm Shipper that pays a Negotiated Rate, to the extent negotiated by Pipeline and that Shipper on a not unduly discriminatory basis and as set forth in Shipper's Negotiated Rate Transportation Service Agreement compliant with the Commission's policy on Negotiated Rates and Section 8.27 of this Tariff. However, any such credits to Negotiated Rate shippers shall only be provided after all eligible shippers paying the maximum rate under Rate Schedule FT and IT have been credited with their proportionate share of one hundred percent (100%) of interruptible revenues net of variable costs pursuant to Section 8.26.1 of this Tariff.

8.27 NEGOTIATED RATES

8.27.1 Notwithstanding anything to the contrary contained in this Tariff, Pipeline and Shipper may agree to a Negotiated Rate for service under any rate schedule contained in this Tariff. Pipeline's maximum rate for service under Rate Schedule FT, Rate Schedule IT, or Rate Schedule PAL as shown in Section 4 of this Tariff ("Recourse Rate") is available for any Shipper. If Pipeline elects to enter into a Negotiated Rate with Shipper, Pipeline shall file to become part of the Tariff one of the following pursuant to the rules and policies of the Commission.

- (1) the Service Agreement and Exhibits thereto to which the Negotiated Rate pertain;
- (2) a tariff record describing the negotiated rate ("Negotiated Rate Statement"); or
- (3) both (1) and (2).

Except where the Service Agreement contains material deviations (in which case Section 8.27.3 shall apply), the determination of whether to file the Service Agreement, a Negotiated Rate Statement, or both shall be at the sole option of Pipeline.

8.27.2 The following information will be stated in all Negotiated Rate Statements filed with the Commission:

Contract No.:
Term:
Shipper Name:
Negotiated Rate or Rate Formula:
Applicable Rate Schedules:
Receipt Point(s):
Delivery Point(s):
Contract Quantities*:

* For firm service, "Contract Quantities" shall be the Maximum Daily Transportation Quantity ("MDTQ") of Dth per Gas Day; For interruptible service, contract quantities shall be the actual usage to which a Negotiated Rate applies.

Affirmation: The effective Service Agreement does not deviate in any material aspect from the form of Service Agreement in this Tariff, or Pipeline shall seek approval from the Commission of any material deviation.

8.27.3 If a Service Agreement setting forth a Negotiated Rate contains any

provision(s) deviating in any material respect from the applicable form of Service Agreement set forth in this Tariff, Pipeline shall file such Service Agreement to become part of Volume 1A of this Tariff.

8.28 ORDER OF DISCOUNTS, DISCOUNT TERMS

8.28.1 If and when Pipeline discounts the rates applicable for service under any Service Agreement under Rate Schedules included in Pipeline's FERC Gas Tariff, the amount of any such discount shall be accounted for as a reduction of maximum rates in the following sequence to the extent any of the following components are included in the maximum rate:

Reservation Charges - Fixed Cost Unit Rate component of base reservation rate for firm service

Volumetric Charges - Fixed Cost Unit Rate component of base usage rate for interruptible service

8.28.2 In the event Pipeline agrees to discount its rate to Shipper below Pipeline's maximum rate under Pipeline's Rate Schedules FT, IT, and PAL, the following discount terms may be reflected on Exhibit C to the FT Service Agreement, Exhibit C to the IT Service Agreement, or an individual PAL Transaction and will apply without the discount constituting a material deviation from Pipeline's pro forma Service Agreement; provided, however, any such discount shall not be less than Pipeline's minimum rate.

Among other methods, a discounted rate may be based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula).

Any agreement containing such discounted rate shall specify the rate component(s) to be discounted (i.e., reservation charge or usage charge or both). To the extent the firm reservation charge is discounted, any formula will provide a reservation rate per unit of contract demand and the index price differential rate formula shall be calculated to state a rate per MDTQ. Furthermore, such index-based discount shall not change the underlying rate design or include any minimum bill or minimum take provision that has the effect of guaranteeing revenue.

In addition, the discount agreement may include a provision that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Pipeline's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be

adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts the revised changes. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Pipeline and Shipper may agree that a specified discounted rate will apply under the following conditions:

- (1) to specified quantities under Shipper's Service Agreement(s);
- (2) to specified quantities achieving or not exceeding a certain level;
- (3) in a specified relationship to quantities actually transported;
- (4) to specified periods of the year or over specifically-defined periods of time;
- (5) to specified Receipt Points or Delivery Points, markets, or other defined geographical areas; and/or
- (6) to production reserves or cargos of liquefied natural gas committed by Shipper for transportation by Pipeline.

8.28.3 If Pipeline has agreed to a discount with a Shipper receiving transportation service from Pipeline pursuant to Part 284 of the Commission's regulations and the discount is limited to specific Receipt Point(s) or Delivery Point(s) or both, the Shipper may request that a discount apply to the use of an alternate Receipt Point(s) or alternate Delivery Point(s) (whether through capacity release, segmentation or its own exercise of flexible Receipt Point(s) and Delivery Point(s) rights). There is a rebuttable presumption that the Shipper will retain its discount for transportation utilizing an alternate point if Pipeline grants discounts to others receiving transportation service utilizing that point that are similarly situated. Pipeline can rebut this presumption by demonstrating that the service to the Shipper is not similarly situated to the service receiving a discount utilizing the alternate point. If Shipper receives a discount for transportation utilizing the alternate point, Shipper shall pay the higher of its contractual rate or the discount rate provided to another utilizing the alternate point.

A Shipper may request to retain a discount for service to an alternate

point by faxing or emailing a request to Pipeline no less than two (2) hours prior to its nomination to use an alternate point. Pipeline will respond to that request and inform the Shipper whether a discount shall apply within two (2) hours of receipt of the request; provided, however, that Pipeline will respond to requests received after 4:00 p.m. CCT by no later than 8:30 a.m. CCT the following morning. If Shipper has previously requested application of a discount to the same point and Pipeline has not agreed, Pipeline shall not respond to the renewed request unless Pipeline's decision has changed.

8.29 NOTICES

Any communication, notices, request, demand, statement or bill provided for in this Tariff or in a Service Agreement, or any notice that either Pipeline or Shipper may desire to give the other, shall be made using the Pipeline's Internet Web Site established by Pipeline; provided, however, in the event the Pipeline's Internet Web Site is not properly functioning or during emergencies, such communications will be made via email first, then by telephone or facsimile.

8.30 CODE OF COMPLIANCE BY SHIPPER

It shall be the Shipper's sole responsibility to purchase, install, operate, and maintain Shipper's facilities or equipment used for odorizing, handling, manufacturing, storing, transporting or distributing natural gas delivered to or received from Pipeline in compliance with all applicable local, State, and federal codes, rules, and regulations. Pipeline shall not be held responsible for any damages resulting from Shipper's noncompliance even if such is known to Pipeline.

8.31 DISCRETIONARY WAIVER

8.31.1 Generally. Pipeline may, on a not unduly discriminatory basis, waive any of its rights or any obligations of Shipper arising under Shipper's Service Agreement and/or Pipeline's Tariff where authority to grant such a waiver is not otherwise specifically granted to Pipeline under Shipper's Service Agreement or Pipeline's Tariff. However, such waivers may only be granted with respect to the following circumstances:

(a) a specific default that has already occurred; or

(b) on a case-by-case basis, in advance as to any specific, temporary operational problem.

8.31.2 Reservation of Rights. No waiver granted by Pipeline of any one or more defaults by Shipper in the performance of any provision of the Service Agreement between Shipper and Pipeline or Pipeline's Tariff shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character. Nothing in this Section 8.31 shall prohibit Pipeline or Shipper from seeking and obtaining from the Commission, on a case-specific basis, waiver of specific provisions of Shipper's Service Agreement and/or Pipeline's Tariff.

8.32 DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

8.33 GOVERNMENTAL REGULATION

The Service Agreement, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of the Commission and any other body with jurisdiction over these matters.

8.34 REPORTS WITH RESPECT TO TARIFF

On an annual basis, Pipeline shall submit to the Commission the reports and filings pursuant to Section 4 of the Natural Gas Act as required by the referenced sections of the Tariff on the dates specified below, unless authorization from the Commission has been sought and obtained to file on a different date. Specifically, Pipeline shall submit:

- 8.34.1 The OBA report required under GT&Cs Section 8.7.1(d) on or before April 30 following the reportable year.
- 8.34.2 The Cash-Out report required under GT&Cs Section 8.12.8 on or before April 30 following the reportable year.
- 8.34.3 The Fuel Retainage Percentage ("FRP") filing in accordance with GT&Cs Section 8.22 on or before December 1 of each year.
- 8.34.4 The Penalty Revenue Sharing report required under GT&Cs Section 8.25 on or before April 30 following the reportable year.
- 8.34.5 The IT Revenue Sharing report required under GT&Cs Section 8.26.4 on or before April 30 following the reportable year.
- 8.34.6 The Operational Transactions report required under GT&Cs Section 8.44.4 on or before April 30 following the reportable year.

8.35 ELECTRONIC COMMUNICATION AND REPORTING REQUIREMENTS

8.35.1 Internet Web Site. In compliance with Order Nos. 636, 637 and 717 Pipeline has established an electronic bulletin board to publicize information concerning its services and available transportation capacity. Pipeline's Internet Web Site is available on a nondiscriminatory basis for use by any Shipper that has executed a License & Service Agreement. All Shippers shall use the Pipeline's Internet Web Site to conduct daily business transactions. Certain other transactions, such as nominations, posting and bids, will be electronically confirmed on the Pipeline's Internet Web Site as they occur. Shippers who have executed an Internet Web Site License & Service Agreement and agree to comply with the procedures for access to and use of the Pipeline's Internet Web Site will be assigned a user identification and password. Pipeline reserves the right to provide, to contract for, or otherwise obtain a license for enhancements to its Internet Web Site at its sole discretion. Pipeline will exercise due diligence to ensure the Pipeline's Internet Web Site operates correctly and will provide timely and equal access to Internet Web Site manuals and to any information available on the Pipeline's Internet Web Site. In circumstances when the Pipeline's Internet Web Site is not properly functioning or during emergencies, Pipeline shall contact Shipper, first by email, then by telephone or by facsimile.

8.35.2 Shipper who has executed a Service Agreement has the option to utilize the Pipeline's Internet Web Site for the purposes of:

- (a) requesting service, executing, tracking and amending Service Agreements under Rate Schedules FT, IT, and PAL, and providing nominations, allocations and viewing of operational imbalances under such Rate Schedules as a Shipper of Pipeline pursuant to the applicable Rate Schedule and the GT&Cs;
- (b) exercising its rights as a Shipper of Pipeline pursuant to GT&Cs Section 8.11 or submitting a bid as a Replacement Shipper of Pipeline under such section (which if submitted utilizing the Pipeline's Internet Web Site will be posted at that time) or submitting a bid as a Replacement or Prearranged Shipper of Pipeline pursuant to such section, or posting a capacity request for capacity release pursuant to such section;
- (c) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day; and
- (d) viewing Pipeline's notice of an OFO as contemplated by GT&Cs Section 8.9.

8.35.3 Pipeline's Internet Web Site shall contain information, available for download in RTF and HTML format, regarding:

- (a) the unsubscribed capacity available on the System for firm and interruptible transportation, including capacity availability on the system and at Receipt Points and Delivery Points;
- (b) the operationally available capacity on the System for firm an interruptible transportation, including capacity availability on the system and at Receipt Points and Delivery Points;
- (c) the master Receipt Point list and the master Delivery Point list including for each the following:
 - (i) Designation of Delivery or Receipt Point;
 - (ii) Location of Delivery or Receipt Point;
 - (iii) Operator name and phone number; and
 - (iv) Total firm capacity subscribed at the Delivery Point or Receipt Point.
- (d) the Capacity Release information described in GT&Cs Section 8.11 herein;
- (e) offers to purchase released transportation rights from firm Shippers;
- (f) Index of Customers;
- (g) Pipeline's currently effective FERC Gas Tariff and GT&Cs;
- (h) Critical notices (when operational);
- (i) any other information required by Sections 284.12 and 284.13 of the Commission's regulations or the Commission's Standards of Conduct as set forth in GT&Cs Section 8.40.

8.35.4 For generic, system-wide notices, any provisions of this Tariff requiring that these matters be written or in writing are satisfied by Pipeline utilizing electronic transmission through the Pipeline's Internet Web Site in accordance with the procedures for utilization of the Pipeline's Internet Web Site. The provisions of this Tariff requiring that certain matters be written or in writing are satisfied by Shipper utilizing electronic transmission through the Pipeline's Internet Web Site in accordance with the procedures for utilization of the Pipeline's Internet Web Site. All other provisions including Service-Agreement-specific notices requiring items or information to be written or in writing remain unchanged unless otherwise agreed to by Pipeline and Shipper. Critical system-wide

notices shall have a separate category from notices that are not critical.

- 8.35.5 Pipeline or an affiliate of Pipeline is the exclusive proprietor of the programming which generates the Pipeline's Internet Web Site and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the Pipeline's Internet Web Site under license to Pipeline) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the Pipeline's Internet Web Site. A Shipper under a Service Agreement will not by virtue of this Section or the executed Service Agreement acquire any proprietary interests in the programming which generates the Pipeline's Internet Web Site.
- 8.35.6 Pipeline shall not be liable to the Shippers under the Service Agreements nor any other party in damages for any act, omission or circumstance related to the Pipeline's Internet Web Site occasioned by or in consequence of an event of force majeure as defined in GT&Cs Section 8.21. To the extent the information displayed on the Pipeline's Internet Web Site is originated solely by Pipeline and such information is subsequently determined to be inaccurate, Shippers under the Service Agreements shall not be subject to any penalties otherwise collectable by Pipeline based on Shipper conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the Pipeline's Internet Web Site.
- 8.35.7 Pipeline warrants that, without the express consent of a Shipper under a Service Agreement or as provided for under this Tariff, no Pipeline employee or agent will disclose to any third party any information regarding research performed through the use of the Pipeline's Internet Web Site by Shippers under their Service Agreements.
- 8.35.8 Shipper shall indemnify Pipeline against and hold Pipeline harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any act or omission of the Pipeline's Internet Web Site; except if such damages, claims, suits, actions or proceedings are due to Pipeline's negligence.

8.36 INCORPORATION IN RATE SCHEDULES AND GAS SERVICE AGREEMENTS

These GT&Cs are incorporated in and are part of Pipeline's Rate Schedules and Service Agreements. To the extent any rate or provision of a Service Agreement conflicts with any rate or provision in the corresponding Rate Schedule, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and any rate or provision in a corresponding Service Agreement, the provision in the Service Agreement shall govern. In the event of a conflict between any rate or provision in the GT&Cs and the corresponding Rate Schedule, the Rate Schedule shall govern.

8.37 NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")

Cameron Interstate Pipeline has adopted all of the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR, Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards Not Incorporated by Reference and Their Location Within the Tariff:

<u>NAESB Standard</u>	<u>Tariff Record</u>
1.3.2(i-vi)	Scheduling of Receipts and Deliveries, 0.0.0
5.3.2	Capacity Release, 0.0.0

Standards Incorporated by Reference:

Additional Standards:

General:

Principles:
0.1.1, 0.1.2, 0.1.3

Definition:
0.2.5

Standards:
0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

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

Gas/Electric Operational Communications:

Definitions:
0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:
0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

Storage Information:

Dataset:

0.4.1*

Nominations Related Standards:

Principles:

1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16,
1.1.18, 1.1.20, 1.1.21, 1.1.22

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13,
1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14, 1.3.15,
1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26,
1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37,
1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51,
1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68,
1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80,
1.3.81, 1.3.82

Datasets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Principles:

2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Datasets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Principles:

3.1.1, 3.1.2

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Principles:

4.1.2, 4.1.3, 4.1.4, 4.1.6, 4.1.7, 4.1.10, 4.1.12, 4.1.13, 4.1.15, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.26, 4.1.27, 4.1.28, 4.1.29, 4.1.30, 4.1.32, 4.1.33, 4.1.34, 4.1.35, 4.1.36, 4.1.37, 4.1.38, 4.1.39, 4.1.40

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,

4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Related Standards:

Principles:

5.1.1, 5.1.2, 5.1.3, 5.1.4

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Datasets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Principles:

10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6, 10.1.7, 10.1.8, 10.1.9, 10.1.10

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

Standards for which Waiver or Extension of Time to Comply have been granted:

None

8.38 AGENCY SERVICE

In connection with a service rendered by Pipeline pursuant to any Rate Schedule in its FERC Gas Tariff, Pipeline or a third party may agree to act as agent for Shipper to arrange for any service (under any such Rate Schedule or otherwise) and to perform any acts (including but not limited to the receipt and payment of invoice, the giving of notice, the designation of delivery and receipt points, the scheduling of volumes for transportation and storage, and the receipt of proceeds from, or the payment of amounts due for, the monthly resolution of transportation imbalances under GT&Cs Section 8.12) in connection with any service so arranged. Such service as agent shall be available only on condition and to the extent that Pipeline and Shipper (or, where applicable, Shipper and Shipper's selected third party) have executed a written Agency Authorization Agreement tendered to Pipeline that contains the terms, conditions and fees applicable to such service and specifies the acts with respect to which Pipeline or a third party is to act as agent for Shipper. It is provided, however, that any such Agency Authorization Agreement shall provide that any services arranged and any acts performed by Pipeline or a third party under such Agency Authorization Agreement shall be done expressly on behalf of Shipper, and that Shipper shall remain primarily responsible for the payment to Pipeline or other provider of the fees and charges for the services arranged and the acts performed on behalf of Shipper. Pipeline is authorized to accept the actions of an agent within the scope of its authority to the same extent as it would accept the actions of Shipper; provided, however, Shipper shall indemnify Pipeline and hold it harmless for any loss or damage occasioned by agent's actions or Pipeline's reliance thereon.

8.39 STANDARDS OF CONDUCT; COMPLAINTS

8.39.1 Informational Postings

Pipeline shall post on its Internet Web Site pursuant to the requirements and procedures set forth in Part 358 of the Commission's regulations, the information required by the Standards of Conduct, including Pipeline's procedures for implementation of and compliance with and information required by the Commission's Standards of Conduct.

8.39.2 Complaint Procedure

Complaints concerning any of Pipeline's compliance with the Standards of Conduct or otherwise should be communicated to the following office of Pipeline:

Cameron Interstate Pipeline, LLC
c/o Sempra LNG
488 8th Ave.
San Diego, California 92101
Attn: General Manager

The Pipeline will respond to such complaint within two Business Days and in writing within thirty (30) days of receipt of the complaint. In the event the required date of Pipeline's response falls on a non-Business Day, Pipeline shall respond on the next Business Day.

8.40 DISPUTE RESOLUTION

Any disputes, controversies or claims that arise between the Parties (the "Disputing Parties") relating to a Service Agreement (a "Dispute") shall be resolved by means of the following procedures:

FERC. Once a Dispute has been presented to the FERC, neither Disputing Party may seek relief in any other forum. In the event that FERC disclaims jurisdiction or disclaims primary jurisdiction over a Dispute, the Dispute shall be resolved through arbitration in accordance with the provisions of clause (ii) below.

Arbitration. Any Dispute that is not resolved pursuant to clause (i) above shall be finally settled by arbitration as follows:

- (a) Any such Dispute shall be submitted to binding arbitration by the International Chamber of Commerce ("ICC") for arbitration in New York, New York, in accordance with the ICC's commercial arbitration rules then in effect, except as more particularly provided herein. The Disputing Parties agree that an officer or other representative with authority to resolve the Dispute for each Disputing Party shall attend the arbitration. There shall be three (3) arbitrators, with each of Pipeline and Shipper, or their successor in interest if applicable, selecting one. The third arbitrator, who shall be the chairman of the panel, shall be selected by the two Disputing Party-appointed arbitrators. The claimant shall name its arbitrator in the demand for arbitration. The third arbitrator shall be named within thirty (30) days after the appointment of the second arbitrator. The ICC shall be empowered to appoint any arbitrator not named in accordance with the procedure set forth herein.
- (b) The Disputing Parties will endeavor to agree on the scope of discovery in respect of any Dispute. If the Parties cannot agree, then the arbitrators shall rule on all requests for discovery and disclosure and discovery shall be completed within sixty (60) days of the date on which the third arbitrator is appointed ("Arbitration Commencement Date"). The arbitrators shall issue a final ruling within ninety (90) days of the Arbitration Commencement Date. The ruling of the arbitrators shall be in writing, signed, and shall contain a statement of findings and conclusions of law in addition to the award decision. The decision of the arbitrators shall be final and binding upon the Disputing Parties, in so far as the law allows, without the right of appeal to the FERC or the courts. The award rendered by the arbitrators shall be final in so far as the law allows, and judgment thereon may be entered by any court having jurisdiction thereof.

- (c) The arbitrators shall not have the authority or power to alter, amend or modify any of the terms or conditions of a Service Agreement. The arbitrators' powers shall be limited to enforcement of the Service Agreement as to the issues raised by the Disputing Parties, and shall not include the power to award consequential, indirect, special, punitive, or exemplary damages.
- (d) Performance of the Service Agreement shall continue during arbitration proceedings or any other dispute resolution mechanism pursuant to these GT&Cs. Subject to the Parties' rights under GT&Cs Section 8.19.5, no payment due or payable by Pipeline or Shipper shall be withheld on account of a pending reference to arbitration or other dispute resolution mechanism.
- (e) The Disputing Parties irrevocably waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in any legal proceeding arising out of or relating to a Service Agreement or the transactions contemplated thereby.

8.41 TERMINATION OF LONG-TERM SERVICE AGREEMENT

Pipeline and any Eligible Shipper (as hereinafter defined) may agree to terminate a Long-Term Service Agreement to which Pipeline and such Eligible Shipper are parties. Such termination shall be effective (“Termination Effective Date”) upon the date of termination of Eligible Shipper’s Terminal Services Agreement (as hereinafter defined). Upon the Termination Effective Date, the Long-Term Service Agreement shall automatically terminate and shall cease to be of any force or effect (except for the provisions of the Long-Term Service Agreement that provide for the survival of obligations thereunder and the final settlement payment obligations set forth in this Tariff). As used herein, the term “Eligible Shipper” shall mean a Shipper who is a party with Pipeline to a Long Term Service Agreement that is in effect as of August 1, 2014, and who is also a party to an agreement for liquefied natural gas import and regasification services with a liquefied natural gas import terminal interconnected with Pipeline (“Terminal Services Agreement”).

8.42 NON-CONFORMING SERVICE AGREEMENTS

Pipeline has entered into the following non-conforming service agreements, which have been filed as part of Volume 1A of Pipeline's tariff:

Service Agreement Applicable to Firm Transportation Service Offered by Cameron Interstate Pipeline, LLC under Rate Schedule FT, between Pipeline and Cameron LNG, LLC, dated August 17, 2016;

Service Agreement Applicable to Firm Transportation Service Offered by Cameron Interstate Pipeline, LLC under Rate Schedule FT, between Pipeline and MC Global Gas Corporation, dated June 22, 2018;

Service Agreement Applicable to Firm Transportation Service Offered by Cameron Interstate Pipeline, LLC under Rate Schedule FT, between Pipeline and MMGS Inc., dated November 26, 2014 (assigned to Mitsui & Co. Cameron LNG Sales LLC on March 30, 2016);

Service Agreement Applicable to Firm Transportation Service Offered by Cameron Interstate Pipeline, LLC under Rate Schedule FT, between Pipeline and Marubeni Natural Gas and LNG America Corp., dated November 26, 2014; and

Service Agreement Applicable to Firm Transportation Service Offered by Cameron Interstate Pipeline, LLC under Rate Schedule FT, between Pipeline and Total Gas & Power North America, Inc., dated October 12, 2018.

8.43 OFF-SYSTEM CAPACITY

- 8.43.1 General. From time to time, Pipeline may enter into transportation agreements and/or storage agreements with upstream and downstream entities, including with other interstate and intrastate pipeline companies and storage providers to acquire transportation or storage capacity or rights (“Off-System Capacity”). In the event that Pipeline acquires Off-System Capacity, Pipeline will use such capacity for operational reasons or to render service for its Shippers. In the event that Pipeline uses Off-System Capacity to render service for its Shippers, it will only render service to the Shippers on the acquired capacity pursuant to this Tariff and subject to Pipeline's approved rates, as this Tariff and approved rates may change from time to time, as well as Third-Party Charges, as described below. For purposes of transactions entered into subject to this GT&C Section 8.43, the “Shipper-Must-Have-Title” requirement is waived. This GT&C Section 8.43 does not preclude Pipeline from seeking case specific authorization for the utilization of Off-System Capacity by Pipeline for other purposes, nor does it preclude Pipeline from releasing any capacity it holds on Off-System Capacity providers subject to Pipeline’s firm service obligations.
- 8.43.2 Limitation of Extension Rights. In the event that Off-System Capacity used to render service to Pipeline’s Shippers is subject to renewal limitations, consistent with the applicable Off-System Capacity contract or service agreement, the Off-System Capacity provider's tariff or operating statement, or as provided by Commission Regulations, Pipeline will indicate, in any posting of capacity available for service, any limitation to extension rights that will apply as a result of the limitation on the Off-System Capacity. This provision does not impact any Right of First Refusal Shipper may have pursuant to Pipeline’s Tariff, except that extension of the affected Service Agreement is limited to the term of Pipeline’s contract or service agreement with the Off-System Capacity provider.
- 8.43.3 Interruptions on Off-System Capacity. In the event Off-System Capacity used to render service to Pipeline’s Shippers is interrupted by the Off-System Capacity provider, Pipeline’s obligation to provide service utilizing that Off-System Capacity will be suspended without liability of Pipeline, until the Off-System Capacity provider recommences service to Pipeline.
- 8.43.4 Third Party Charges. Any Shipper that schedules service under Pipeline’s Tariff that requires Pipeline to utilize Off-System Capacity to render such service will, in addition to any applicable rates and charges assessed pursuant to this Tariff, be required to pay Pipeline the rates and charges Pipeline is obligated to pay for the Off-System Capacity as set forth below (“Third-Party Charges”). Such Third-Party Charges, unless otherwise agreed, will be separately stated on the monthly invoice submitted to Shippers pursuant to GT&C Section 8.19 of Pipeline’s Tariff. In addition, Pipeline will post the applicable rates and charges

and fuel retention rates for all Off-System Capacity locations on its Internet Website.

- (a) *Third-Party Charges for Primary Firm Service.* Any Shipper that reserves primary firm capacity with Pipeline that requires the Pipeline to utilize the Off-System Capacity, will pay the following Third Party Charges: reservation and usage charges; applicable surcharges; fuel and power charges or retention including any lost and unaccounted for volumes; compression fees; balancing or storage fees; measurement fees; processing fees; facility charges; and/or penalties that are assessed to Pipeline by the Off-System Capacity provider and that are attributable to activities that were within the control of the Shipper. If Off-System Capacity is utilized to serve multiple primary firm Shippers, any fees or charges not directly attributable to reservation and/or usage charges assigned to Shippers will be allocated *pro rata* among those primary firm Shippers based on the contract quantity of each Shipper. Shipper shall not be required to pay for any penalties assessed to Pipeline by the Off-System Capacity provider for activities that were beyond the control of the Shipper.

- (b) *Third-Party Charges for Secondary Firm Service.* Any Shipper that nominates service under Pipeline's Tariff on a secondary firm basis, that requires Pipeline to utilize available Off-System Capacity, will pay a daily reservation rate, calculated by converting the Off-System Capacity provider's reservation rate to a daily rate out to the fifth decimal place and then rounding up or down to the fourth decimal place. In addition to the daily reservation rate, Shipper shall pay any other Third-Party Charges specifically incurred by Pipeline related to the applicable Off-System Capacity as a result of the Shipper's transportation on the Off-System Capacity for that Day, including all usage charges, surcharges, additional reservation charges (due for example because of a higher rate at non-primary points), out-of-zone charges, fuel and power charges or retention including any lost and unaccounted for volumes, and compression fees, balancing or storage fees, measurement fees, processing fees, facility charges, and/or penalties that are assessed to Pipeline by the Off-System Capacity provider and that are attributable to activities that were within the control of the Shipper. Shipper shall not be required to pay for any penalties assessed to Pipeline by the Off-System Capacity provider for activities that were beyond the control of the Shipper.

- (c) *Third-Party Charges for Interruptible Service.* Any Shipper that nominates service under Pipeline's Tariff on an interruptible basis,

that requires Pipeline to utilize available Off-System Capacity, will pay the following Third Party Charges for all scheduled volumes: all charges specifically incurred by Pipeline related to the applicable Off-System Capacity as a result of the Shipper's transportation on the Off-System Capacity for that Day, including all usage charges, surcharges, out-of-zone charges, fuel and power charges or retention including any lost and unaccounted for volumes, compression fees, balancing or storage fees, measurement fees, processing fees, facility charges, and/or penalties that are assessed to Pipeline by the Off-System Capacity provider and that are attributable to activities that were within the control of the Shipper. Shipper shall not be required to pay for any penalties assessed to Pipeline by the Off-System Capacity for activities that were beyond the control of the Shipper.

- (d) *Allocation of Third-Party Charges.* If Pipeline holds more than one contract for the same Off-System Capacity, Pipeline will determine the applicable reservation and usage rates applicable to the Off-System Capacity to be billed for secondary or interruptible service by calculating a daily weighted average rate based on the monthly reservation and usage rates paid and the contract/reservation quantities invoiced Pipeline by the Off-System Capacity provider for the Off-System Capacity divided by thirty point four (30.4). This daily weighted average rate will then be multiplied by the secondary and/or interruptible transportation/storage quantity to determine the daily reservation and usage charges.

8.43.5 Refunds. If Pipeline receives refunds or credits from a provider for Off-System Capacity, which are directly related to Third-Party Charges, such refunds or credits will be flowed through to the appropriate Shipper(s) to the extent that the rate(s) paid by the Shipper(s) exceeds the net rate (after refund) Pipeline has actually paid and Pipeline has otherwise fully recovered its costs for such Off-System Capacity.

8.43.6 Capacity Release. For the purposes of capacity release under GT&C Section 8.11 of Pipeline's Tariff, any rights to firm service utilizing Off-System Capacity acquired by Pipeline from a third-party will be treated under the terms and conditions of Pipeline's Tariff.

8.43.7 Open Access to Off-System Capacity. Pipeline shall consider and process requests to obtain Off-System Capacity to provide service to Shippers on a non-discriminatory basis subject to Pipeline's ability to recover Third-Party Charges. To the extent that Pipeline has obtained Off-System Capacity to serve a specific Shipper at that Shipper's request (including releases of Off-System Capacity from the requesting Shipper to Pipeline), Pipeline shall be under no obligation to post such Off-System Capacity in an open season prior to offering

firm service to the requesting Shipper utilizing the Off-System Capacity. When Off-System Capacity is not required for operational reasons or to meet firm service commitments, Pipeline will offer the Off-System Capacity via its Internet Website to Shippers on a firm and interruptible basis pursuant to the GT&Cs of Pipeline's Tariff.

8.44. OPERATIONAL TRANSACTIONS

8.44.1 General Authority. Pipeline may buy, sell or borrow or tender gas for return at a later date (an “Operational Transaction”) to the extent necessary to:

- (a) maintain system pressure and line pack;
- (b) manage system imbalances;
- (c) implement the cashout provisions of the Tariff, including Section 8.12;
- (d) perform other operational functions of Pipeline in connection with transportation and other similar services; or
- (e) otherwise protect the operational integrity of Pipeline’s system.

8.44.2 Terms of Operational Transactions. Any Operational Transaction will be made on an unbundled basis and the purchaser of gas sold or tendered by Pipeline will be responsible for any transportation. Sales by Pipeline will be made at Receipt Point(s), at Pooling Points established on Pipeline’s system, or at the points of interconnection with the upstream pipelines prior to receipt into Pipeline’s system. Operational Transactions other than sales by Pipeline will be made at locations where the gas may be most operationally needed from time to time. Operational Transactions will have a lower priority than firm service.

8.44.3 Posting of Operational Sales. Pipeline will post its offers to sell Operational Transaction quantities for bidding on its Internet Website in accordance with the applicable bidding provisions which will be posted at the time of the Operational Transaction sales offer. Pipeline reserves its right, in its sole discretion:

- (a) to withdraw its postings;
- (b) reject all bids due to operational changes; and
- (c) reject any bids which do not meet or which contain modifications to the terms of the posting or which contain terms that are operationally unacceptable.

8.44.4 Annual Reports. Pipeline will file a report on or before April 30 of each year reflecting the Operational Transactions for the 12-month period ending the preceding December 31. The report will indicate:

- (a) whether the Operational Transaction was a purchase, sale, borrow or tender;

- (b) the source of the gas in the Operational Transaction;
- (c) the date of the Operational Transaction; (for borrows and tenders, Pipeline will include the beginning and termination dates of the transaction);
- (d) volumes;
- (e) the Operational Transaction price, expressed as a rate per dekatherm;
- (f) the costs and revenues from the Operational Transaction;
- (g) the disposition of the associated costs and revenues, including their absorption by Pipeline; and

an explanation of the purpose of any Operational Transaction.

9.0 Service Agreement for Rate Schedule FT

(See attached)

FORM OF SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE
OFFERED BY CAMERON INTERSTATE PIPELINE, LLC
UNDER RATE SCHEDULE FT

SERVICE AGREEMENT

This Service Agreement (this "Agreement") is made and entered into this ___ day of _____, 20___, and will become effective on _____ [specified date may be a calendar date or a date linked to the occurrence of a specific event such as the in-service date of another facility, provided that Pipeline shall be provided reasonable advance notice of the occurrence of such event]("Effective Date"), by and between Cameron Interstate Pipeline, LLC, a limited liability company located at 488 8th Avenue, San Diego, CA 92101 (herein called "Pipeline") and _____, a _____ [type of entity]_____ located at _____ [address]_____ (herein called "Shipper"). Pipeline and Shipper shall be referred to individually as a "Party", and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, Pipeline is an interstate pipeline providing service pursuant to its Tariff filed with the Federal Energy Regulatory Commission ("FERC");

[If, applicable, specify other "whereas" clauses that do not affect the substance of the Service Agreement]

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the Parties do covenant and agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT, and of the General Terms and Conditions ("GT&Cs") of Pipeline's Tariff, including without limitation any provisions on the interpretation of Service Agreements, transportation service hereunder will be firm and Pipeline agrees to deliver for Shipper's account quantities of gas up to the following total quantities:

Maximum Daily Transportation Quantity ("MDTQ"): _____ Dth; provided, that Pipeline's ability to receive and deliver the entire MDTQ for Shipper's account is subject to Shipper's gas having a minimum heat content of at least 1040 Dth per standard cubic foot, which is the minimum heat content assumed

by Pipeline in the design of its facilities. To the extent that any of Shipper's gas has a heat content of less than that amount, the MDTQ may, to the extent operationally necessary, be reduced accordingly.

- 1.2 Pipeline will receive for Shipper's account for transportation hereunder daily quantities of gas up to Shipper's MDTQ, plus quantities equal to the Fuel Retainage Percentage, at Receipt Points as specified in the attached Exhibit A hereto. Pipeline will transport and deliver for Shipper's account such daily quantities tendered up to such Shipper's MDTQ, but not the Fuel Retainage Percentage quantities, to the Delivery Points as specified in the attached Exhibit B hereto. Exhibits A and B are hereby incorporated as part of this Agreement for all intents and purposes.
- 1.3 On any given Gas Day, Pipeline shall not be obligated to, but may at its sole discretion, receive at Receipt Points quantities of gas in excess of the Maximum Daily Receipt Quantity ("MDRQ"), plus the Fuel Retainage Percentage quantities, or be obligated to receive in the aggregate at all Receipt Points on any Gas Day a quantity of gas in excess of the applicable MDTQ, plus the Fuel Retainage Percentage quantities. On any given Gas Day, Pipeline shall not be obligated to, but may at its sole discretion, deliver at any Delivery Point quantities of gas in excess of the Maximum Daily Delivery Quantity ("MDDQ"), or be obligated to deliver in the aggregate at all Delivery Points on any Gas Day quantities of gas in excess of the applicable MDTQ.
- 1.4 Shipper shall reimburse Pipeline a transaction-specific rate comprised of any filing fees incurred by Pipeline specific to Shipper in seeking governmental authorizations for the initiation of any new service or extension of service under this Agreement or under the Pipeline's Rate Schedule FT. Shipper shall reimburse Pipeline for such fees within ten (10) days of receipt of notice from Pipeline that such fees are due and payable.

ARTICLE II TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the Effective Date and shall continue in effect for a term of ___ months after service commences ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either Party by written notice (at least 12 months for long term Agreements; mutually agreeable notice for short term Agreements) prior to the end of the Primary Term or any successive term thereafter. Extension and termination of this Agreement shall be governed by the applicable provisions in GT&Cs Sections 8.2, 8.4 and 8.20 (or any successor provisions).

[If the Primary Term is equal to or greater than 20 years, Shipper may elect, in lieu of the foregoing paragraph, to the following provision relating to the term of the Agreement (and such provision shall replace the preceding paragraph in its

entirety with the remaining paragraphs of this Section 2.1).]

This Agreement shall become effective as of the Effective Date and shall continue in effect for a term of ____ months thereafter ("Primary Term"); provided, that Shipper may upon written notice delivered to Pipeline no later than six calendar months after the Effective Date elect to extend the Primary Term by up to six calendar months. At the expiration of the Primary Term (as it may be extended pursuant to the preceding sentence), Shipper shall have the right, but not the obligation:

- (a) to extend the term of this Agreement for a period of five years beyond the Primary Term, subject to an election one year in advance of the end of the Primary Term;
- (b) if Shipper exercises its right to extend this Agreement pursuant to subparagraph (a) of this Section 2.1, to extend the term of this Agreement for an additional period of five years, subject to an election one year in advance of the end of the first five-year extension period; and
- (c) to extend the term of this Agreement as reasonably requested past any extension under subparagraphs (a) and (b) above to allow for delivery of make-up cargoes of liquefied natural gas, subject to an election one year in advance of the then-existing term. If Shipper exercises each of the extension options set forth above in subparagraphs (a) and (b), Shipper shall have the right exercisable no later than one year in advance of the end of the then-existing term to elect to pay, in lieu of the rate payable by Shipper during the Primary Term, the maximum applicable recourse rate for firm service. If Shipper makes such an election, Shipper shall have the same rights as other recourse rate shippers under the General Terms and Conditions then in effect.

Following the last extension requested by Shipper, as provided above, the service hereunder shall continue on a year-to-year basis unless terminated by either Party by written notice at least 12 months prior to the end of any successive one-year extension. In the event Pipeline provides such 12 month notice of termination, Shipper shall have a contractual right of first refusal (ROFR) to be exercised in accordance with the procedures established by Section 8.4 of the General Terms and Conditions; provided, that notwithstanding the provisions hereof, Shippers period for notifying Pipeline of Shippers desire to exercise its ROFR shall be 11 months.

- 2.2 Any portions of this Agreement necessary to correct or cash-out imbalances or to make payment under this Agreement as required by the GT&Cs, or to make payment of refunds as required by FERC, will survive the other parts of this Agreement until such time as such balancing or payment has been completed.

ARTICLE III
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 For the entire period when this Agreement is in effect, this Agreement will be subject to all provisions of Rate Schedule FT and the GT&Cs of Pipeline's Tariff on file with FERC, as such may be revised or superseded from time to time, all of which are by this reference made a part of this Agreement. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Agreement.
- 3.2 Shipper agrees to and will pay Pipeline all Reservation, Usage and other charges and fees provided for in Rate Schedule FT, as effective from time to time, for service under this Agreement unless otherwise agreed to by the Parties in a discounted or negotiated rate arrangement set forth in Exhibit C hereto which shall be incorporated as part of this Agreement for all intents and purposes.
- 3.3 If applicable, Pipeline warrants that the transportation service hereunder meets the requirements set out in Subpart B of Part 284 of FERC's Regulations and qualifies for service under Rate Schedule FT, as applicable; provided, however, that this warranty does not extend to actions taken that are not within the control of Pipeline. A certification from the Shipper on whose behalf Pipeline will render the transportation services hereunder is set forth in Exhibit D hereto. Exhibit D is hereby incorporated as part of this Agreement for all intents and purposes. Shipper further agrees to abide by the terms of Rate Schedule FT, as applicable. Shipper warrants that upstream and downstream transportation arrangements are in place, or will be in place as of the Effective Date, and that it has or will advise the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity or pressure limitations for each point as specified on Exhibit A attached hereto.
- 3.4 Shipper agrees that Pipeline shall have the unilateral right to file with FERC to propose changes to the provisions in its GT&Cs or Rate Schedules, except that Pipeline shall not file with FERC to limit its responsibility to provide Reservation charge credits, as provided in GT&C Section 8.10.9, and shall not file with FERC to limit Shipper's ability to terminate this agreement under the conditions specified in GT&C Section 8.10. Shipper retains its rights under Section 5 of the NGA.

ARTICLE IV
QUALITY

- 4.1 All natural gas tendered to Pipeline for Shipper's account shall conform to the quality specifications set forth in GT&Cs Section 8.14 (or any successor thereto). In the event that Shipper is unable to meet such gas quality requirements, Pipeline and Shipper shall promptly meet to discuss possible solutions to allow Pipeline's receipt and delivery of Shipper's gas and shall use commercially reasonable efforts to implement any agreed solution or remedy, whether upstream or

downstream of Shipper's applicable receipt point. Nothing in this Article IV shall in and of itself be construed as negating or modifying in any way Shipper's obligations to meet the gas quality requirements set forth in Pipeline's tariff.

ARTICLE V
NOTICES

- 5.1 Except as provided in this Section 5.1, notices hereunder shall be given pursuant to the provisions of GT&Cs Sections 8.29 and 8.36 (or any successor thereto) on Pipeline's Internet Web Site; provided however, that in the event the Pipeline's Internet Web Site is not operational, notice in the form herein described shall be given to a party via facsimile or electronic mail.

PIPELINE

Notices and General Correspondence

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, California 92101
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Alternative Contact: _____

Alternative Contact: _____

Payments

Cameron Interstate Pipeline, LLC
488 8th Avenue

San Diego, California 92101

SHIPPER:

Notices and Request

Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

- 5.2 Pipeline and/or Shipper may designate alternative contact information by submitting formal written notice to the other party.

ARTICLE VI ASSIGNMENTS

- 6.1 Either Shipper or Pipeline may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument, which it has executed or may execute hereafter, without relieving itself of its obligations under this Agreement. Furthermore, each of Shipper and Pipeline hereby agree to timely execute and deliver such consents to assignment and certificates as are reasonably requested by the assigning Party or its lenders in connection with any such assignment, in each case on terms and conditions reasonably satisfactory to such Party. In addition, Shipper may release its rights to capacity pursuant to GT&Cs Section 8.11 (or any successor provisions).

ARTICLE VII NONRECOURSE OBLIGATION OF PIPELINE'S PARENTS AND OTHER AFFILIATES

- 7.1 The Parties agree that notwithstanding any other provision hereof neither Party shall be liable to the other Party for any special, indirect, punitive, or consequential damages (including, without limitation, loss of profits or business interruptions), whether in contract or in tort, arising out of or in any manner related to this Agreement, even if a Party has been advised of the possibility of such damages.

ARTICLE VIII
LAW OF CONTRACT

- 8.1 The Parties agree that the interpretation and performance of this Agreement must be in accordance with the laws of the State of _____ without recourse to any law or principle governing conflict of laws.
- 8.2 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, decisions and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX
CANCELLATION OF PRIOR CONTRACT(S)

- 9.1 This Agreement supersedes and cancels, as of the Effective Date of this Agreement, the following prior contract(s) between the Parties regarding firm transportation service.

ARTICLE X
MISCELLANEOUS

- 10.1 No waiver by Pipeline or Shipper of any default of either Party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character. To be effective, any waiver shall be in writing and signed by the Party against whom it is to be enforced. Waivers of this Agreement by Pipeline are subject to the applicable provisions of Pipeline's Tariff and the regulations, policies, and orders of the FERC.
- 10.2 Subject to Sections 3.1 and 3.4 of this Agreement, no modification of or supplement to the terms and provisions of this Agreement shall become effective except by execution of a separate written agreement between the Parties, and in no event shall this Agreement be modified by course of performance, course of dealing or usage of trade.

(Signatures appear on the following page)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries on the Effective Date.

Cameron Interstate Pipeline, LLC

By _____

WITNESS: _____

WITNESS: _____

[SHIPPER]

By _____

WITNESS: _____

WITNESS: _____

EXHIBIT A

TO SERVICE AGREEMENT UNDER RATE SCHEDULE FT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

FIRM RECEIPT POINTS:

RECEIPT POINT

MDRQ (Dth) (plus
applicable fuel retainage
quantities)

RECEIPT PRESSURE
LIMITATIONS

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit A Dated _____

EXHIBIT B

TO SERVICE AGREEMENT UNDER RATE SCHEDULE FT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

FIRM DELIVERY POINTS:

DELIVERY POINT

MDDQ

DELIVERY PRESSURE
LIMITATIONS

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit B Dated _____

EXHIBIT C

TO SERVICE AGREEMENT UNDER RATE SCHEDULE FT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

RATE: _____ [specify rate and select one of the following]

___ DISCOUNTED RATE

[Specify terms of discounted rate subject to the provisions of Section 8.28 of the
GT&Cs of Pipeline's Tariff]

___ NEGOTIATED RATE:

[Specify terms of negotiated rate subject to the provisions of Section 8.27 of the
GT&Cs of Pipeline's Tariff]

___ [indicate if applicable] Pipeline and Shipper waive any rights to seek either
an increase, a decrease, or any other adjustment to the negotiated rate specified
herein, unless mutually agreed otherwise as specified above.

CREDIT REQUIREMENTS

Shipper shall be deemed creditworthy if Shipper's long term unsecured debt is a rating of
at least "BBB-" by Standard & Poor's Ratings Service ("S&P") or at least "Baa3" by
Moody's Investors Service, Inc. ("Moody's"). If Shipper is not rated, Shipper may at its
own expense obtain a private rating from S&P, Moody's, or a mutually acceptable
independent party.

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit C Dated _____

EXHIBIT D

TO

TO SERVICE AGREEMENT UNDER RATE SCHEDULE FT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

Shipper Certification:

Shipper Name: _____

By: _____

Title: _____

Date: _____

10.0 Service Agreement for Rate Schedule IT

FORM OF SERVICE AGREEMENT FOR RATE SCHEDULE IT

SERVICE AGREEMENT

This Service Agreement (this "Agreement") is made and entered into this ____ day of _____, 20__ [specified date may be a calendar date or a date linked to the occurrence of a specific event such as the in-service date of another facility, provided that Pipeline shall be provided reasonable advance notice of the occurrence of such event] ("Effective Date"), by and between Cameron Interstate Pipeline, LLC, a limited liability company located at 488 8th Avenue, San Diego CA 92101 (herein called "Pipeline") and _____, a [type of entity] located at _____ [address] _____ (herein called "Shipper,"). Pipeline and Shipper shall be referred to individually as a "Party", and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, Pipeline is an interstate pipeline providing service pursuant to its Tariff filed with the Federal Energy Regulatory Commission ("FERC").

[If, applicable, specify other "whereas" clauses that do not affect the substance of the Service Agreement]

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the Parties do covenant and agree as follows:

ARTICLE I SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule IT, and of the GT&Cs of Pipeline's Tariff, including, without limitation, any provisions on the interpretation of Service Agreements, Pipeline will provide to Shipper interruptible gas transportation service, and agrees to deliver for Shipper's account quantities of gas up to the following total quantities: Maximum Daily Transportation Quantity ("MDTQ"): _____ Dth; provided, that Pipeline's ability to receive and deliver gas for Shipper's account is subject to Shipper's gas having a minimum heat content of at least 1040 Dth per standard cubic foot, which is the minimum heat content assumed by Pipeline in the design of its facilities. To the extent that any of Shipper's gas has a heat content of less than that amount, the volumes of gas transported by Pipeline on behalf of

Shipper under this Agreement may, to the extent operationally necessary, be reduced accordingly.

- 1.2 Pipeline will receive for Shipper's account for transportation hereunder daily quantities of gas up to Shipper's MDTQ, plus quantities equal to the Fuel Retainage Percentage, at Receipt Points nominated by Shipper on Pipeline's system pursuant to Section 6.4 of Rate Schedule IT. Pipeline will transport and deliver for Shipper's account such daily quantities tendered up to such Shipper's MDTQ, but not the Fuel Retainage Percentage quantities, to Delivery Points nominated by Shipper on Pipeline's system pursuant to Section 6.4 of Rate Schedule IT.
- 1.3 Service under this Agreement is subject to interruption pursuant to the terms of Rate Schedule IT and the GT&Cs of Pipeline's Tariff.
- 1.4 Shipper shall reimburse Pipeline a transaction-specific rate comprised of any filing fees incurred by Pipeline specific to Shipper in seeking governmental authorizations for the initiation of any new service or extension of service under this Agreement or under the Pipeline's Rate Schedule IT. Shipper shall reimburse Pipeline for such fees within ten (10) days of receipt of notice from Pipeline that such fees are due and payable.

ARTICLE II TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the Effective Date and shall continue in effect for a term of ___ months after service commences ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either Party by written notice at least 12 months for long term Agreements; mutually agreeable notice for short term Agreements prior to the end of the Primary Term or any successive term thereafter. Extension and termination of this Agreement shall be governed by the applicable provisions in GT&Cs Sections 8.2, 8.4 and 8.20 (or any successor provisions).
- 2.2 Shipper agrees that Pipeline may terminate this Agreement at any time by written notice, subject to the GT&Cs.
- 2.3 Any portions of this Agreement necessary to correct or cash-out imbalances or to make payment under this Service Agreement as required by the GT&Cs, or make payment of refunds as required by FERC, will survive the other parts of this Service Agreement until such time as such balancing or payment has been completed.

ARTICLE III RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 For the entire period when this Agreement is in effect, this Agreement will be subject to all provisions of Rate Schedule IT and the GT&Cs of Pipeline's Tariff on file with FERC, as such may be revised or superseded from time to time, all of which are by this reference made a part of this Agreement. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Agreement.
- 3.2 Shipper agrees to and will pay Pipeline all Usage and other charges and fees provided for in Rate Schedule IT, as effective from time to time, for service under this Agreement unless otherwise agreed to by the Parties in a discounted or negotiated rate arrangement set forth in Exhibit A hereto which shall be incorporated as a part of this Agreement for all intents and purposes.
- 3.2 If applicable, Pipeline warrants that the transportation service hereunder meets the requirements set out in Subpart B of Part 284 of FERC's Regulations and qualifies for service under Rate Schedule IT, as applicable; provided, however, that this warranty does not extend to actions taken that are not within the control of Pipeline. A certification from the Shipper on whose behalf Pipeline will render the transportation services hereunder is set forth in Exhibit B hereto. Exhibit B is hereby incorporated as part of this Agreement for all intents and purposes. Shipper further agrees to abide by the terms of Rate Schedule IT, as applicable. Shipper warrants that upstream and downstream transportation arrangements are in place, or will be in place as of the Effective Date, and that it has or will advise the upstream and downstream transporters of the receipt and delivery points under this Agreement and any pressure limitations imposed by Pipeline on its system.
- 3.3 Shipper agrees that Pipeline shall have the unilateral right to file with FERC to propose changes to the provisions in its GT&Cs or Rate Schedules. Shipper retains its rights under Section 5 of the NGA.

ARTICLE IV QUALITY

- 4.1 All natural gas tendered to Pipeline for Shipper's account shall conform to the quality specifications set forth in GT&Cs Section 8.14 (or any successor thereto). In the event that Shipper is unable to meet such gas quality requirements, Pipeline and Shipper shall promptly meet to discuss possible solutions to allow Pipeline's receipt and delivery of Shipper's gas and shall use commercially reasonable efforts to implement any agreed solution or remedy, whether upstream or downstream of Shipper's applicable receipt point. Nothing in this Article IV shall in and of itself be construed as negating or modifying in any way Shipper's obligations to meet the gas quality requirements set forth in Pipeline's tariff.

ARTICLE V NOTICES

5.1 Except as provided in this Section 5.1, notices hereunder shall be given pursuant to the provisions of GT&Cs Sections 29 and 36 (or any successor thereto) on Pipeline's Internet Web Site; provided however, that in the event the Pipeline's Internet Web Site is not operational, notice in the form herein described shall be given to a party via facsimile or electronic mail.

PIPELINE:

Notices and General Correspondence

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, California 92101
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Alternative Contact: _____

Alternative Contact: _____

Payments

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, California 92101

SHIPPER:

Notices and Request

Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

- 5.2 Pipeline and/or Shipper may designate alternative contact information by submitting formal written notice to the other party.

ARTICLE VI
ASSIGNMENTS

- 6.1 Either Shipper or Pipeline may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument, which it has executed or may execute hereafter, without relieving itself of its obligations under this Agreement. Furthermore, each of Shipper and Pipeline hereby agrees to timely execute and deliver such consents to assignment and certificates as are reasonably requested by the assigning Party or its lenders in connection with any such assignment in each case on terms and conditions reasonably satisfactory to such Party.

ARTICLE VII
NONRECOURSE OBLIGATION OF
PIPELINE'S PARENT AND OTHER AFFILIATES

- 7.1 The Parties agree that notwithstanding any other provision hereof neither Party shall be liable to the other Party for any special, indirect, punitive, or consequential damages (including, without limitation, loss of profits or business interruptions), whether in contract or in tort, arising out of or in any manner related to this Agreement, even if a Party has been advised of the possibility of such damages.

ARTICLE VIII
LAW OF CONTRACT

- 8.1 The Parties agree that the interpretation and performance of this Agreement must be in accordance with the laws of the State of _____ without recourse to any law or principle governing conflict of laws.
- 8.2 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, decisions and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX
CANCELLATION OF PRIOR CONTRACT(S)

- 9.1 This Agreement supersedes and cancels, as of the Effective Date of this Service Agreement, any prior contract(s) between the Parties regarding interruptible transportation service: _____.

MISCELLANEOUS

- 10.1 No waiver by Pipeline or Shipper of any default of either Party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character. To be effective, any waiver shall be in writing and signed by the Party against whom it is to be enforced. Waivers of this Agreement by Pipeline are subject to the applicable provisions of Pipeline's Tariff and the regulations, policies, and orders of the FERC.
- 10.2 Subject to Sections 3.1 and 3.4 of this Agreement, no modification of or supplement to the terms and provisions of this Agreement shall become effective except by execution of a separate written agreement between the Parties, and in no event shall this Agreement be modified by course of performance, course of dealing or usage of trade.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries on the Effective Date.

Cameron Interstate Pipeline, LLC

By _____

WITNESS: _____

WITNESS: _____

[Shipper]

By _____

WITNESS: _____

WITNESS: _____

EXHIBIT A

TO SERVICE AGREEMENT UNDER RATE SCHEDULE IT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

RATE: _____ [specify rate and select one of the following]

___ DISCOUNTED RATE

[Specify terms of discounted rate subject to the provisions of Section 8.28 of the
GT&Cs of Pipeline's Tariff]

___ NEGOTIATED RATE:

[Specify terms of negotiated rate subject to the provisions of Section 8.27 of the
GT&Cs of Pipeline's Tariff]

___ [indicate if applicable] Pipeline and Shipper waive any rights to seek either
an increase, a decrease, or any other adjustment to the negotiated rate specified
herein, unless mutually agreed otherwise as specified above.

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit A Dated _____

EXHIBIT B

TO SERVICE AGREEMENT UNDER RATE SCHEDULE IT
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")

DATED _____

Shipper Certification:

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit B Dated _____

CAPACITY RELEASE UMBRELLA AGREEMENT
(for use under Rate Schedules subject to capacity release)

This Capacity Release Umbrella Agreement, made and entered into this ___ day of _____, _____ (“Effective Date”) by and between _____, a _____ (herein called “Replacement Shipper”), and Cameron Interstate Pipeline, LLC, a limited liability company located at 488 8th Avenue, San Diego CA 92101 (herein called “Pipeline”),

WITNESSETH:

WHEREAS, _____

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Shipper and Pipeline hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 8.2 of the General Terms and Conditions of Pipeline’s FERC Gas Tariff are met in order for Replacement Shipper to execute this Capacity Release Umbrella Agreement pursuant to Section 8.11 of the General Terms and Conditions, and this Capacity Release Umbrella Agreement is effective, Replacement Shipper may bid or be specified in notices from time to time on proposed capacity releases under Rate Schedule FT pursuant to the procedure set forth in Section 8.11 of Pipeline’s General Terms and Conditions. If at any time a bid or notice submitted by or on behalf of Replacement Shipper is accepted by Pipeline with respect to a given capacity release, Pipeline will promptly finalize the appropriate Addendum to this Capacity Release Umbrella Agreement, in the format attached hereto. The parties agree that each Addendum is an integral part of this Capacity Release Umbrella Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Shipper and Pipeline agree that Replacement Shipper shall be considered for all purposes as a Shipper with respect to the released service.
- 1.2 Upon the finalization of an Addendum or as otherwise specified in Pipeline’s FERC Gas Tariff, subject to the terms, conditions and limitations hereof and of Pipeline’s Rate Schedule FT, Pipeline agrees to provide the released service for Replacement Shipper under the applicable Rate Schedule, provided however, the Replacement Shipper shall have qualified under the financial evaluation and credit appraisal requirements set forth in Section 8.2 of Pipeline’s General Terms and Conditions at the time it submitted the bid or notice Pipeline accepted with respect to such release.
- 1.3 Replacement Shipper hereby agrees promptly to provide any information necessary for Pipeline to reevaluate Pipeline’s credit appraisal as contemplated by Section 8.2 of

Pipeline's General Terms and Conditions and to advise Pipeline of any material change in the information previously provided by the Replacement Shipper to Pipeline.

ARTICLE II TERM OF AGREEMENT

- 2.2 The term of this Capacity Release Umbrella Agreement shall commence on _____ and shall continue in force and effect thereafter unless this Capacity Release Umbrella Agreement is terminated by mutual agreement or as hereinafter provided. If Pipeline determines at any time that Replacement Shipper fails to meet the financial standards or credit criteria of Section 8.2 of the General Terms and Conditions, Pipeline may terminate this Capacity Release Umbrella Agreement and all Addenda attached hereto prospectively in accordance with Sections 8.2, 8.4, 8.11, and 8.20 (or the successor provisions thereto) of the General Terms and Conditions of Pipeline's FERC Gas Tariff.
- 2.3 Any portions of this Capacity Release Umbrella Agreement necessary to correct or cash-out imbalances or to make payment under this Capacity Release Umbrella Agreement as required by the General Terms and Conditions, or to make payment of refunds as required by the Commission, will survive the other parts of this Capacity Release Umbrella Agreement until such time as such balancing or payment has been completed.

ARTICLE III RATE SCHEDULES

- 3.1 This Capacity Release Umbrella Agreement does not have separate terms and conditions for particular services, but only provides a means by which a Replacement Shipper may utilize a service subject to the applicable provisions of a Releasing Shipper's relevant firm Service Agreement and the terms and conditions for the relevant rate schedule(s), by finalization of a copy of an Addendum attached hereto and fully incorporated herein as a part of this Capacity Release Umbrella Agreement.
- 3.2 For the entire period when this Capacity Release Umbrella Agreement is in effect, this Capacity Release Umbrella Agreement will be subject to all provisions of relevant rate schedule(s) and the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Commission, as such may be revised or superseded from time to time, all of which are by this reference made a part of this Capacity Release Umbrella Agreement. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Capacity Release Umbrella Agreement.
- 3.3 Replacement Shipper warrants that upstream and downstream transportation arrangements are in place, or will be in place as of the effective date of each capacity release transaction, and that it has or will advise the upstream and downstream transporters of the receipt and delivery points under this Capacity Release Umbrella Agreement and any limitations specified in a Releasing Shipper's relevant firm Service Agreement or in the capacity release Addenda.

- 3.4 Replacement Shipper agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to this Capacity Release Umbrella Agreement (b) the terms and conditions of this Capacity Release Umbrella Agreement, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to this Capacity Release Umbrella Agreement. Pipeline agrees that the Replacement Shipper may protest or contest the aforementioned filings, and the Replacement Shipper does not waive any rights it may have with respect to such filings.

ARTICLE IV QUALITY

- 4.1 All natural gas tendered to Pipeline for Replacement Shipper's account shall conform to the quality specifications set forth in Section 8.14 of the General Terms and Conditions (or any successor thereto). In the event that Replacement Shipper is unable to meet such gas quality requirements, Pipeline and Shipper shall promptly meet to discuss possible solutions to allow Pipeline's receipt and delivery of Shipper's gas and shall use commercially reasonable efforts to implement any agreed solution or remedy, whether upstream or downstream of Replacement Shipper's applicable receipt point. Nothing in this Article IV shall in and of itself be construed as negating or modifying in any way Replacement Shipper's obligations to meet the gas quality requirements set forth in Pipeline's FERC Gas Tariff.

ARTICLE V NOTICE

- 5.1 Except as otherwise provided in this Article V, notices hereunder shall be given pursuant to the provisions of Sections 8.29 and 8.36 of the General Terms and Conditions (or any successor thereto) on Pipeline's Internet Web Site; provided however, that in the event the Pipeline's Internet Web Site is not operational, notice in the form herein described shall be given to a party via facsimile or electronic mail.

PIPELINE

Notices and General Correspondence
Cameron Interstate Pipeline, LLC
488 8th Avenue

San Diego, California 92101

Email: _____

Telephone No.: _____

Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____
Alternative Contact: _____
Alternative Contact: _____

Payments

Cameron Interstate Pipeline, LLC
488 8th Avenue

San Diego, California 92101

REPLACEMENT SHIPPER:

Notices and Request

Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

- 5.2 Pipeline and/or Replacement Shipper may designate alternative contact information by submitting formal written notice to the other party.

ARTICLE VI
INTERPRETATION

- 6.1 THE INTERPRETATION AND PERFORMANCE OF THIS CAPACITY RELEASE UMBRELLA AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF

THE STATE OF _____, WITHOUT RECOURSE TO THE LAW GOVERNING CONFLICT OF LAWS.

- 6.2 This Capacity Release Umbrella Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE VII
RELATIONSHIP BETWEEN REPLACEMENT SHIPPER AND RELEASING SHIPPER

- 7.1 The parties recognize that, pursuant to Commission orders, Releasing Shipper may require that the Replacement Shipper agree that a breach of this Capacity Release Umbrella Agreement, including a failure to pay, or to pay timely, by Replacement Shipper under this Capacity Release Umbrella Agreement, constitutes a breach of contract as between Replacement Shipper and Releasing Shipper. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Shipper fails to pay Pipeline, fails to timely pay Pipeline, or otherwise breaches this Capacity Release Umbrella Agreement with Pipeline: (a) both Replacement Shipper and Releasing Shipper (except to the extent otherwise provided in Section 8.11 of the General Terms and Conditions and except with respect to penalties attributable to Replacement Shipper's conduct) shall be liable to Pipeline for such failure to pay or breach (it being understood that nothing in this Article VII relieves Releasing Shipper from responsibility to pay Pipeline in accordance with its firm Service Agreements with Pipeline) and (b) if, as a result of such breach by Replacement Shipper, Releasing Shipper is accordingly required to pay Pipeline or otherwise perform, Releasing Shipper may have a cause of action for breach against Replacement Shipper.

ARTICLE VIII
CANCELLATION

- 8.1 This Capacity Release Umbrella Agreement supersedes and cancels, as of the Effective Date, the following prior contract(s) between the Parties regarding firm transportation service (if applicable): _____

ARTICLE IX
MISCELLANEOUS

- 9.1 No waiver by Pipeline or Replacement Shipper of any default of either Party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character. To be effective, any waiver shall be in writing and signed by the Party against whom it is to be enforced.
Waivers of this Agreement by Pipeline are subject to the applicable provisions of Pipeline's Tariff and the regulations, policies, and orders of the FERC.
- 9.2 Subject to Section 3.4 of this Agreement No modification of or supplement to the terms and provisions of this Capacity Release Umbrella Agreement shall become effective

except by execution of a separate written agreement between the Parties, and in no event shall this Capacity Release Umbrella Agreement be modified by course of performance, course of dealing or usage of trade.

(Signatures appear on the following page)

IN WITNESS WHEREOF, the Pipeline and Replacement Shipper have caused this Capacity Release Umbrella Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries on the Effective Date.

CAMERON INTERSTATE PIPELINE, LLC

By _____

Title _____

REPLACEMENT SHIPPER

By _____

Title _____

Addendum

Capacity Release Rate Schedule _____ Addendum No. _____

Deal No.: _____

Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Replacement Shipper: _____

Releasing Shipper: _____
Releasing Shipper's Contract No.: _____
Begin Date of Release: _____
End Date of Release: _____
Rates: [Volumetric or Reservation] _____

Reservation Charge \$ _____

Surcharges: Description/\$ Rate

\$ _____

\$ _____

Maximum Daily Transportation Quantity (MDTQ): _____
(Dth)

Specific Firm Point(s) of Receipt:

<u>Receipt Point</u>	<u>MDRQ (Dth) (plus applicable fuel retainage quantities)</u>	<u>Effective From</u>	<u>Effective To</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Specific Firm Point(s) of Delivery:

<u>Receipt Point</u>	<u>MDDQ</u>	<u>Effective From</u>	<u>Effective To</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Is this capacity subject to right of recall? Yes ___ No ___

Recall Conditions (if applicable):

Are there any restrictions on released capacity? Yes ___ No ___ Restrictions (if applicable):

Was Pipeline's default bid evaluation criteria used? Yes ___ No ___

Evaluation Criteria (if applicable):

Were contingent bids accepted? Yes ___ No ___

Contingency comments (if applicable):

Other Terms and Conditions of Release: [e.g., restrictions on release, third party agent and terms of third party agency relationship, and agreements between Replacement Shipper and Releasing Shipper]

This Addendum, entered into, pursuant to Pipeline's capacity release program and to the executed Capacity Release Umbrella Agreement between Pipeline and the Replacement Shipper, is hereby made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE PAL

SERVICE AGREEMENT

This Service Agreement (this "Agreement") is made and entered into this ____ Day of _____, 20__ __ [specified date may be a calendar date or a date linked to the occurrence of a specific event such as the in-service date of another facility, provided that Pipeline shall be provided reasonable advance notice of the occurrence of such event] ("Effective Date"), by and between Cameron Interstate Pipeline, LLC, a limited liability company located at 488 8th Avenue, San Diego CA 92101 (herein called "Pipeline") and _____, a [type of entity] located at _____ [address] _____ (herein called "Shipper,"). Pipeline and Shipper shall be referred to individually as a "Party", and collectively as the "Parties".

WITNESSETH:

WHEREAS, Pipeline is an interstate pipeline providing service pursuant to its Tariff filed with the Federal Energy Regulatory Commission ("FERC").

[If, applicable, specify other "whereas" clauses that do not affect the substance of the Service Agreement]

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the Parties do covenant and agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

- 1.1. Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule PAL, and of the GT&Cs of Pipeline's Tariff, including, without limitation, any provisions on the interpretation of Service Agreements, Pipeline will provide to Shipper interruptible gas parking or lending service, as applicable, in the quantities of gas as specified in a PALS Transaction.
- 1.2. This Agreement, and every PALS Transaction subject to this Agreement, will comprise the contractual agreement of the parties. If this Agreement terminates, any PALS Transaction entered into before the end of the term of this Agreement will continue to be bound by the terms of this Agreement, until the termination of the PALS Transaction.
- 1.3. Pipeline will, as specified in the PALS Transaction, park or loan quantities of natural gas at mutually agreed upon point(s) of service at the rates specified in Pipeline's Tariff or mutually agreed by the Parties in accordance with each PALS Transaction.

- 1.4. Shipper must execute a PALS Transaction to receive service under this Agreement. On Shipper's behalf, Pipeline will complete the rate, quantity, and other terms required by the PALS Transaction consistent with the agreed upon transaction. The completed PALS Transaction will be provided to the Shipper and Shipper must execute and return or transmit the executed electronic or paper copy of the PALS Transaction to Pipeline. The PALS Transaction after execution will be incorporated in and made a part of this Agreement.

ARTICLE II TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the Effective Date and shall continue in effect for a term of ___ Months after service commences ("Primary Term") and shall remain in force from Month to Month thereafter unless terminated by either Party by written notice. Extension and termination of this Agreement shall be governed by the applicable provisions in the GT&Cs.
- 2.2 Shipper agrees that Pipeline may terminate this Agreement at any time by written notice, subject to the GT&Cs. Pre-granted abandonment will apply upon termination of this Agreement. The term of each PALS Transaction will be specified therein.
- 2.3 Any portions of this Agreement necessary to correct or cash-out imbalances or to make payment under this Agreement as required by the GT&Cs, or make payment of refunds as required by FERC, will survive the other parts of this Agreement until such time as such balancing or payment has been completed.

ARTICLE III RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 For the entire period when this Agreement is in effect, this Agreement will be subject to all provisions of Rate Schedule PAL and the GT&Cs of Pipeline's Tariff on file with FERC, as such may be revised or superseded from time to time, all of which are by this reference made a part of this Agreement. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Agreement.
- 3.2 Shipper agrees to and will pay Pipeline other charges and fees provided for in Rate Schedule PAL, as effective from time to time, for service under this Agreement unless otherwise agreed to by the Parties in a discounted or negotiated rate arrangement set forth in a PALS Transaction which shall be incorporated as a part of this Agreement for all intents and purposes.
- 3.3 If applicable, Pipeline warrants that the transportation service hereunder meets the requirements set out in Subpart B of Part 284 of FERC's Regulations and qualifies for service under Rate Schedule PAL, as applicable; provided, however, that this warranty does not extend to actions taken that are not within the control of Pipeline. A certification from the Shipper on whose behalf Pipeline will render the transportation services hereunder is set forth in the PALS Transportation, if

applicable, which is incorporated as part of this Agreement for all intents and purposes. Shipper further agrees to abide by the terms of Rate Schedule PAL, as applicable. Shipper warrants that upstream and downstream delivery and receipt arrangements are in place, or will be in place as of the Effective Date, and that it has or will advise the upstream and downstream entities of the receipt and delivery points under this Agreement.

- 3.4 Shipper agrees that Pipeline shall have the unilateral right to file with FERC to propose changes to the provisions in its GT&Cs or Rate Schedules. Shipper retains its rights under Section 5 of the NGA.

ARTICLE IV
QUALITY

- 4.1 All natural gas tendered to Pipeline for Shipper's account shall conform to the quality specifications set forth in GT&Cs Section 8.14 (or any successor thereto). In the event that Shipper is unable to meet such gas quality requirements, Pipeline and Shipper shall promptly meet to discuss possible solutions to allow Pipeline's receipt and delivery of Shipper's gas and shall use commercially reasonable efforts to implement any agreed solution or remedy, whether upstream or downstream of Shipper's applicable receipt point. Nothing in this Article IV shall in and of itself be construed as negating or modifying in any way Shipper's obligations to meet the gas quality requirements set forth in Pipeline's tariff.

ARTICLE V
NOTICES

- 5.1 Except as provided in this Article V, notices hereunder shall be given pursuant to the provisions of GT&Cs Section 8.30 (or any successor thereto) on Pipeline's Internet Web Site; provided however, that in the event the Pipeline's Internet Web Site is not operational, notice in the form herein described shall be given to a party via facsimile or electronic mail.

PIPELINE:

Notices and General Correspondence

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, California 92101
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____

Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Alternative Contact: _____

Alternative Contact: _____

Payments

Cameron Interstate Pipeline, LLC
488 8th Avenue
San Diego, California 92101

SHIPPER:

Notices and Request

Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name/Dept: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

- 5.2 Pipeline and/or Shipper may designate alternative contact information by submitting formal written notice to the other party.

ARTICLE VI
ASSIGNMENTS

- 6.1 Either Shipper or Pipeline may assign or pledge this Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument, which it has executed or may execute hereafter, without relieving itself of its obligations under this Agreement. Furthermore, each of Shipper and Pipeline hereby agrees to timely execute and deliver such consents to assignment and certificates as are reasonably requested by the assigning Party or its lenders in connection with any such assignment in each case on terms and conditions reasonably satisfactory to such Party.

ARTICLE VII
NONRECOURSE OBLIGATION OF
PIPELINE'S PARENT AND OTHER AFFILIATES

- 7.1 The Parties agree that notwithstanding any other provision hereof neither Party shall be liable to the other Party for any special, indirect, punitive, or consequential damages (including, without limitation, loss of profits or business interruptions), whether in contract or in tort, arising out of or in any manner related to this Agreement, even if a Party has been advised of the possibility of such damages.

ARTICLE VIII
LAW OF CONTRACT

- 8.1 The Parties agree that the interpretation and performance of this Agreement must be in accordance with the laws of the State of _____ without recourse to any law or principle governing conflict of laws.
- 8.2 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, decisions and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX
CANCELLATION OF PRIOR CONTRACT(S)

- 9.1 This Agreement supersedes and cancels, as of the Effective Date of this Service Agreement, any prior contract(s) between the Parties regarding interruptible transportation service: _____.

ARTICLE X
MISCELLANEOUS

- 10.1 No waiver by Pipeline or Shipper of any default of either Party under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character. To be effective, any waiver shall be in writing and signed by the Party against whom it is to be enforced. Waivers of this Agreement by Pipeline are subject to the applicable provisions of Pipeline's Tariff and the regulations, policies, and orders of the FERC.

10.2 Subject to Sections 3.1 and 3.4 of this Agreement, no modification of or supplement to the terms and provisions of this Agreement shall become effective except by execution of a separate written agreement between the Parties, and in no event shall this Agreement be modified by course of performance, course of dealing or usage of trade.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries on the Effective Date.

Cameron Interstate Pipeline, LLC

By _____

[SHIPPER]

By _____

PALS Transaction

TO SERVICE AGREEMENT UNDER RATE SCHEDULE PAL
BETWEEN CAMERON INTERSTATE PIPELINE, LLC
AND _____ ("Shipper")
DATED _____
PAL Agreement No. _____

TRANSACTION TYPE, TERM, POINTS OF SERVICE, AND QUANTITIES

	Max Quantities (Dth) Delivered to Pipeline	Max Quantities (Dth) Received from Pipeline (Unpark or
--	---	--

				(Park or Payback)		Loan)	
Transaction Type (Park/Loan)	Beginning Date	End Date	Point(s) of Transaction	Daily	Cumulative	Daily	Cumulative

RATE

___ RECURSE RATE [if no option is selected, the Recourse Rate shall be applied to this PALS Transaction]

___ DISCOUNTED RATE

Initial Rate (per Dth)	PAL Balance Rate (per Dth)	Completion Rate (per Dth)
\$ _____	\$ _____	\$ _____

[Specify terms of discounted rate subject to the provisions of Section 8.28 of the GT&Cs of Pipeline's Tariff]

___ NEGOTIATED RATE:

Rate _____

[Specify terms of negotiated rate subject to the provisions of Section 8.27 of the GT&Cs of Pipeline's Tariff]

___ [indicate if applicable] Pipeline and Shipper waive any rights to seek either an increase, a decrease, or any other adjustment to the negotiated rate specified herein, unless mutually agreed otherwise as specified above.

SHIPPER CERTIFICATION: [Only if applicable pursuant to Section 3.3 of the PALS Agreement]

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes PALS Transaction Dated _____ [If applicable]

1.0 NEGOTIATED RATE STATEMENTS

This Section of Volume 1A of Pipeline's Tariff sets forth descriptions of Negotiated Rate service agreements Pipeline has executed pursuant to Section 8.27 of Volume I of the Tariff.

2.0 EXECUTED AGREEMENTS

This Section of Volume 1A of Pipeline's Tariff sets forth tariff records reflecting non-conforming agreements, Negotiated Rate agreements, and any other executed agreements filed by Pipeline with the Commission.