

UGI SUNBURY, LLC
SUNBURY PIPELINE TARIFF
ORIGINAL VOLUME NO. 1

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PRELIMINARY STATEMENT

UGI Sunbury, LLC hereinafter referred to as "Transporter," is a "natural gas company" as defined by the Natural Gas Act and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC" or "Commission." As used herein, "Transporter" shall not include any affiliates of UGI Sunbury, LLC.

Transporter is organized and existing under the laws of the state of Delaware. Transporter provides transportation service to Shippers that have executed a Transportation Service Agreement ("TSA") in the form contained in this Tariff.

Transporter's transmission facilities interconnect with Transcontinental Gas Pipe Line Company and Central New York Oil and Gas Company in Lycoming County, Pennsylvania and extend to Hummel Station in Snyder County, Pennsylvania.

This Federal Energy Regulatory Commission Gas Tariff, Original Volume No. 1, includes a statement of rates, rate schedules, general terms and conditions, and forms of service agreements for firm and interruptible transportation service provided by Transporter according to 18 C.F.R. Part 284, Subparts B and G.

SYSTEM MAP

Transporter's system map can be found on the internet at www.sunburypipeline.com. Use the Informational Postings menu and select Tariff, then select the Map link to view the System Map.

POINTS OF CONTACT

Payments:

Payments are subject to the terms and conditions of this Tariff including but not limited to GT&C Section 12.

Wire Funds To:

UGI Sunbury, LLC
(See the address and account no. identified on the invoice.)

All Notices:

Any notice provided for in a TSA or in this Tariff shall be in writing and shall be considered as having been given if hand carried, faxed, e-mailed, or mailed by United States mail, postage prepaid, to the following addresses:

UGI Sunbury, LLC
One Meridian Boulevard; Suite 2C01
Wyomissing, PA 19610
Attention: Transportation Manager
Fax No. 610-374-4288
Telephone No. 610-743-7010
E-mail: noms@sunburypipeline.com

All Nominations:

Nominations are subject to the terms and conditions of this Tariff, including but not limited to GT&C Section 6.

UGI Sunbury, LLC
One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
Attention: Transportation Services Department
Telephone No. 610-743-7010
Fax No. 610-374-4288

Formal Complaints:

UGI Sunbury, LLC
One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
Attention: Senior Counsel
Telephone No. 610-768-3625

Informal Complaints:

Senior Counsel
610-768-3625

STATEMENT OF RATES

Section 1	Service Rates
Section 2	Fuel and L&U Rates
Section 3	Surcharges
Section 4	Footnotes

STATEMENT OF RATES
 Rates Per Dth

	<u>Rate</u>
<u>Rate Schedule FT:</u>	
Reservation Rate (Monthly) 1/	
Maximum Rate	\$ 13.2519
Minimum Rate	\$ 0
Authorized Daily Overrun Rate	
Maximum Rate	\$ 0.4357
Minimum Rate	\$ 0
Authorized Hourly Overrun Rate	
Maximum Rate	\$ 0.0182
Minimum Rate	\$ 0
Unauthorized Overrun Penalties 2/	
Unauthorized Daily Overrun Rate (non-Critical)	\$ 0.5357
Unauthorized Daily Overrun Rate (Critical)	\$ 0.8714
Unauthorized Hourly Overrun Rate (non-Critical)	\$ 0.0223
Unauthorized Hourly Overrun Rate (Critical)	\$ 0.0363
<u>Rate Schedule IT:</u>	
Commodity Rate	
Maximum Rate	\$ 0.4357
Minimum Rate	\$ 0.0000
<u>Rate Schedule PAL:</u>	
Initial Rate	
Maximum Rate	\$ 0.4357
Minimum Rate	\$ 0.0000
Park/Loan Balance Rate	
Maximum Rate	\$ 0.2179
Minimum Rate	\$ 0.0000
Completion Rate	
Maximum Rate	\$ 0.4357
Minimum Rate	\$ 0.0000
Authorized Overrun Rate	
Maximum Rate	\$ 0.4357
Minimum Rate	\$ 0.0000

STATEMENT OF RATES

FL&U CHARGES

Fuel Percentage	0.0000% 3/
L&U Percentage	0.3700%

STATEMENT OF RATES

SURCHARGES

FERC Annual Charge Adjustment (ACA)	4/
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STATEMENT OF RATES

FOOTNOTES

- 1/ For Capacity Release transactions only, Transporter has adopted the following NAESB WGQ standards. On the bidding formats, the number of decimal places for offers, bids, and awards should be equal to the number of decimal places in the stated rates per pipeline rate schedule (NAESB WGQ Standard 5.3.21). Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of Months in the rate period, dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place (NAESB WGQ Standard 5.3.22). Furthermore, for capacity release purposes, all Tariff rates should be adjusted to reflect a standard calculation of daily and monthly rates (NAESB WGQ Standard 5.3.23).
- 2/ Critical and non-Critical periods are defined in GT&C Section 1.8. All service under Rate Schedules FT and IT is also subject to the Critical Notice penalties set forth in GT&C Section 11.
- 3/ The Fuel reimbursement percentage will remain at a rate of zero percent until re-evaluation of such rate is necessary due to the installation of compression or other facilities that may require the use of system fuel on Transporter's System.
- 4/ Pursuant to GT&C Section 17, the applicable ACA surcharge may be found on the Commission's website at <http://www.ferc.gov>.

RATE SCHEDULES

Section 1	FT	Firm Transportation Service
Section 2	IT	Interruptible Transportation Service
Section 3	PAL	Interruptible Parking and Lending Service

RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any Shipper for the transportation of Gas on a firm basis by Transporter under the following conditions:
- (a) Transporter has determined that (other than such new taps, valves, measurement equipment, and other minor facilities that may be required at the receipt or delivery point(s) to effect Gas receipt or delivery) it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
 - (b) Shipper has made a valid request pursuant to the requirements of GT&C Section 4 of this Tariff;
 - (c) Shipper has satisfied the creditworthiness requirements of GT&C Section 4.12 of this Tariff; and
 - (d) Shipper has executed a firm TSA pursuant to the terms of this Rate Schedule in the form attached to this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service up to Shipper's MDQ shall be considered firm and not subject to a prior claim by another Shipper or another class of service under a pre-existing contract, TSA or certificate.
- 2.2 Transporter shall not be required to provide transportation service if the quantities tendered are so small as to cause operational difficulties, such as measurement. (See GT&C Section 4.1) Transporter shall promptly notify Shipper if such operating conditions precluding service exist.
- 2.3 Rates of Flow. Unless otherwise agreed, at each receipt and delivery point, each Party shall flow, or cause to flow, Gas at the rates of flow as specified below.
- (a) At each receipt and delivery point, quantities delivered for Shipper's account shall not exceed, on an hourly basis, 1/24th of scheduled daily quantities, subject to Transporter's operating conditions, during any given day. Transporter, acting in a commercially reasonable manner and on a not unduly discriminatory basis, may allow receipt or delivery of Gas at an hourly rate that exceeds 1/24th of shipper's scheduled daily quantities, but not in excess of 1/24th of Shipper's MDQ (the "Maximum Hourly Quantity" or "MHQ"). Such non-uniform variations, shall not be considered a firm delivery right, and shall only be scheduled when operationally feasible and when doing so does not

jeopardize any other firm services. Hourly takes in excess of 1/24th of Shipper's MDQ are governed by Section 5 of this Rate Schedule and the GT&C of this Tariff applicable to overrun service.

- (b) Upon request, Shipper shall provide Transporter with its projected hourly flow pattern prior to the Gas Day; provided however, any such request by Transporter shall not obligate Transporter to provide service in excess of Shipper's MDQ or MHQ, as applicable. Shipper's flow pattern estimate shall not be binding on Shipper but will provide Transporter with information to determine if the proposed deliveries can be supported at the location.

2.4 Balancing

- (a) Each month imbalances shall be resolved in accordance with the imbalance management provisions of GT&C Section 10.
- (b) Shipper shall have the responsibility to adjust and maintain a concurrent balance between receipts and deliveries based on the best information available to Shipper. Transporter shall have the responsibility to monitor daily receipts and daily deliveries during the month based on the best operating information available to Transporter (including electronic gas measurement - estimates or actuals) and shall make such information available to Shipper on Transporter's EBB. Transporter shall install the appropriate equipment and facilities on its pipeline system as determined by Transporter to accurately measure gas receipts and deliveries. Any imbalances between Shipper's deliveries of gas for transportation and Transporter's redeliveries shall be kept to a minimum. Transporter retains operational authority to manage its system and contractual resources in a non-discriminatory manner in order to minimize imbalances and imbalance charges or penalties for which Shipper would otherwise be responsible on Transporter's system and to protect system reliability and integrity.

- 2.5 Shipper shall have access, on a secondary basis, to all other receipt and delivery points on Transporter's System that are not identified as primary firm receipt or delivery points under Shipper's TSA. The quantities to be received or delivered on a secondary basis will be those quantities in excess of Shipper's firm capacity entitlement at the respective point of receipt or delivery and shall not exceed Shipper's MDQ.

- 2.6 This service shall be subject to the capacity release requirements specified in GT&C Section 9.

3. TRANSPORTATION SERVICE CHARGES

- 3.1 **Applicable Rates.** The applicable rates for service hereunder shall be, subject to the other provisions hereof, the rates agreed to by Transporter and Shipper as set forth in the TSA.

- (a) Reservation Charge. Each Month Shipper shall be charged a reservation charge determined by (i) multiplying the reservation rate(s) set forth in the TSA by Shipper's MDQ, and (ii) for each Day of the applicable Month. Shipper shall begin paying the reservation charge on the date provided for in the TSA.
- (b) Commodity Charge. Each Month, Shipper shall be charged an amount obtained by multiplying the Commodity Rate(s) set forth in the TSA by the total quantity of Gas in Dths delivered (exclusive of any overrun Gas) each Day of the Month by Transporter to Shipper at the delivery point(s).
- (c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service requested by Shipper, and agreed to by Transporter, Transporter may, on a non-discriminatory basis, require Shipper to pay for such facilities. The parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities, (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter or (3) an alternative arrangement to be negotiated by Transporter and Shipper on a non-discriminatory basis. The incremental facility charge described in (1) and (2) will reflect, as appropriate all of Transporter's capital costs associated with such facilities, including related income taxes and all other taxes, and if applicable, associated operating and maintenance costs, plus interest as agreed to by the parties if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the related income tax effects thereof, according to the following formula, unless otherwise agreed by Transporter and Shipper on a non-discriminatory basis:

$$\text{Tax Reimbursement} = [(\text{Tax Rate} \times \text{CIAC}) - \text{Present Value of Tax Depreciation}] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$

The Present Value of Tax Depreciation shall be discounted at a rate equal to Transporter's weighted average cost of capital at the time that the construction of any such receipt points or delivery points are completed.

- (d) Other Charges and Surcharges. Transporter shall charge Shipper and Shipper shall pay for any other FERC-approved charges and surcharges that apply to service under this Rate Schedule.
- (e) Pursuant to GT&C Section 12.3, Shipper may prepay the reservation charge(s) and reservation surcharge(s) under its TSA.

3.2 Adjustment of Rates.

- (a) Transporter, at its sole discretion, may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates

become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the TSA.

- (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to GT&C Section 4.13; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum commodity rate(s) nor shall they be less than the applicable minimum commodity rate(s), set forth on the Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the TSA, the rate for transportation service shall revert to the maximum rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in GT&C Section 4.14 of the Tariff, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

4. FUEL

In addition to the other payments made pursuant to this Rate Schedule, Shipper shall provide and be responsible for providing FL&U in-kind for the transportation of Gas pursuant to Shipper's TSA. FL&U will be calculated pursuant to GT&C Section 13.

5. OVERRUN TRANSPORTATION

- 5.1 Authorized Daily Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Shipper may nominate and Transporter may schedule authorized daily overrun quantities in excess of Shipper's MDQ. All such quantities shall be referred to as authorized daily overrun quantities and transported on an interruptible basis. Unless otherwise agreed to by Transporter and Shipper, in addition to other applicable charges, Shipper shall pay an amount obtained by multiplying such authorized daily overrun quantities delivered by Transporter to Shipper or for Shipper's account, at each delivery point(s) during the Month by the maximum authorized daily overrun rate stated on the Statement of Rates.
- 5.2 Authorized Hourly Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Shipper may nominate and Transporter may schedule authorized hourly overrun quantities in excess of Shippers MHQ but within Shipper's MDQ. All such quantities shall be referred to as authorized hourly overrun quantities and transported on an interruptible basis. Unless otherwise agreed to by Transporter and Shipper, in addition to other applicable charges, Shipper shall pay a commodity charge for each Dth of Hourly Authorized Overrun service provided at the rates specified in the Statement of Rates in this Tariff.

- 5.3 Unauthorized Daily Overrun Transportation. On any Day, any Gas quantity that exceeds Shipper's MDQ and has not been authorized and scheduled by Transporter pursuant to Section 5.1 of this Rate Schedule is unauthorized. All such quantities shall be referred to as unauthorized daily overrun Gas and shall be subject to the unauthorized daily overrun rate (non-Critical or Critical Condition, as applicable). Shipper shall pay an amount obtained by multiplying the quantity of such unauthorized daily overrun Gas delivered by Transporter to Shipper, or for Shipper's account, each Day by the unauthorized daily overrun rate set forth on the Statement of Rates.
- 5.4 Unauthorized Hourly Overrun Transportation. On any Day, any Gas quantity that exceeds Shipper's MHQ and has not been scheduled by Transporter as an authorized hourly overrun quantity pursuant to Section 5.2 of this Rate Schedule is unauthorized. All such quantities shall be referred to as unauthorized hourly overrun Gas and shall be subject to the unauthorized hourly overrun rate (non-Critical or Critical Condition, as applicable). Shipper shall pay an amount obtained by multiplying the largest quantity of such unauthorized hourly overrun Gas delivered by Transporter to Shipper, or for Shipper's account, at any point during any one (1) hour of a Day times 24, times the unauthorized hourly overrun rate set forth on the Statement of Rates. Transporter has discretion to waive such charges on a non-discriminatory basis.

6. SEGMENTATION

- 6.1 Notwithstanding anything to the contrary in this Rate Schedule or the GT&C of this Tariff, Shippers under this Rate Schedule shall have the right to segment their firm transportation service capacity on Transporter's system, to the extent operationally feasible, consistent with the rules and regulations of the Commission.
- 6.2 This Section applies to a scheduling of service under this Rate Schedule and is a supplement to the scheduling priorities set forth in Section 6 of the GT&C of this Tariff.
- (a) The aggregate primary firm receipt point nominations and the aggregate primary firm delivery point nominations of a Shipper under any path, including any segmented path, on Transporter's system may not exceed Shipper's MDQ or MHQ, as applicable. Shipper shall have "primary point capacity" for each Point of Receipt and for each Point of Delivery in a path, including each segmented path, on Transporter's system up to the Shipper's MDQ or MHQ, as applicable.
- (b) Where the quantity nominated by a Shipper between any Point of Receipt and any Point of Delivery in a path on Transporter's system exceeds Shipper's MDQ, the quantity nominated in excess of the Shipper's MDQ shall be scheduled as authorized overrun Gas if operationally feasible in accordance with this Section 6.1.

7. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed TSA, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. To the extent of any conflict, contradiction or ambiguity arising between the GT&C of this Tariff, on the one hand, and any TSA, on the other, the GT&C of this Tariff shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant TSA, unless such provision of the TSA has been filed with and accepted by the Commission, in which case it shall (a) govern, and (b) be construed harmoniously with the GT&C of this Tariff to the maximum possible extent.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any Shipper for the transportation of Gas on an interruptible basis by Transporter under the following conditions:
- (a) Transporter has determined that (other than such new taps, valves, measurement equipment, and other minor facilities that may be required at the receipt or delivery point(s) to effect Gas receipt or delivery) it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
 - (b) Shipper has made a valid request pursuant to the requirements of GT&C Section 4 of this Tariff;
 - (c) Shipper has satisfied the creditworthiness requirements of GT&C Section 4.12 of this Tariff; and
 - (d) Shipper has executed an Interruptible TSA pursuant to the terms of this Rate Schedule in the form attached hereto.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder is interruptible, and subject to interruption by Transporter at any time. Transportation service under this Rate Schedule will be performed when Transporter has capacity which is not subject to a prior claim by another Shipper or another class of service under a pre-existing contract, TSA, or certificate.
- 2.2 Transporter shall not be required to provide transportation service if the quantities tendered are so small as to cause operational difficulties, such as measurement. (See GT&C Section 4.1) Transporter shall promptly notify Shipper if such operating conditions precluding service exist.
- 2.3 Rates of Flow. Unless otherwise agreed, at each receipt and delivery point, each Party shall flow, or cause to flow, Gas at the rates of flow as specified below.
- (a) At each receipt and delivery point, quantities tendered or caused to be tendered for Shipper's account shall not exceed, on an hourly basis, 1/24th of daily scheduled quantities at such point. Transporter may, from time to time on a not unduly discriminatory basis, permit reasonable operating variations that do not adversely affect other Shippers or pipeline operations.
 - (b) Except as otherwise provided in the Tariff, shipper must balance its daily receipts and its daily deliveries at the end of each Gas Day.

3. TRANSPORTATION SERVICE CHARGES

- 3.1 Applicable Rates. The applicable rates for service hereunder shall be, subject to the other provisions hereof, the rates agreed to by Transporter and Shipper as set forth in the TSA.
- (a) Commodity Charge. Each Month, Shipper shall be charged an amount obtained by multiplying the commodity rate(s) set forth in the TSA by the total quantity of Gas in Dth delivered (excluding overrun Gas) each Day of the Month by Transporter to Shipper at the delivery point(s).
- (b) Other Charges and Surcharges: Shipper shall pay to Transporter when incurred by Transporter all other FERC-approved charges and surcharges related to service provided under this Rate Schedule.
- 3.2 Adjustment of Rates.
- (a) Transporter, at its sole discretion, may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the TSA.
- (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to GT&C Section 4.13; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum commodity rate(s) nor shall they be less than the applicable minimum commodity rate(s), set forth on the Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the TSA, the rate for transportation service shall revert to the maximum rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in Section 4.14 of the GT&C of the Tariff, negotiate a rate for service under this Rate Schedule.

4. FUEL

In addition to the other payments made pursuant to this Rate Schedule, Shipper shall provide and be responsible for providing FL&U in-kind for the transportation of Gas pursuant to Shipper's TSA. FL&U will be calculated pursuant to Section 13 of the GT&C.

5. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed TSA, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to

transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. To the extent of any conflict, contradiction or ambiguity arising between the GT&C, on the one hand, and any TSA, on the other, the GT&C shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant TSA, unless such provision of the TSA has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C to the maximum extent possible.

RATE SCHEDULE PAL
INTERRUPTIBLE PARKING AND LENDING SERVICE

1. AVAILABILITY

1.1 This Rate Schedule is available to any Shipper for the parking and lending (“PAL”) of Gas on an interruptible basis by Transporter when and to the extent:

- (a) Transporter has determined, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide interruptible parking and lending service without detriment or disadvantage to Transporter’s firm or interruptible transportation service obligations or to its system operational needs;
- (b) A valid request for PAL Service has been made pursuant to GT&C Section 4.
- (c) Shipper has met the service requirements specified in GT&C Section 4, including without limitation the creditworthiness conditions of GT&C Section 4.12.
- (d) Shipper and Transporter have executed an Interruptible Parking and Lending Service Agreement (“Agreement”) and related Park and Loan Service Request Order (“PAL RO”) pursuant to the terms of this Rate Schedule and the related Form of Service Agreement. When executed by Transporter and Shipper, the underlying PAL RO shall evidence the parties’ agreement as to the terms of the particular transaction(s) to park and loan Gas pursuant to the Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all PAL services rendered by Transporter for Shipper.

2.1 Interruptible PAL service shall be subject to the provisions of this Rate Schedule, the Agreement and related PAL RO, and the applicable provisions of the GT&C.

2.2 All receipt and delivery locations shall be eligible for PAL service (“PAL Points”) unless otherwise posted by Transporter on its EBB from time to time. Such points will be made available to Shipper on a non-discriminatory basis.

2.3 PAL Service available under this Rate Schedule is an interruptible service providing for:

- (a) Parking Service - Parking service shall consist of Transporter receiving Gas quantities from Shipper at a designated PAL Point on a designated date(s),

as specified in the PAL RO pursuant to Section 5 of this Rate Schedule, for holding and Transporter's subsequent withdrawal of parked quantities of Gas to Shipper on the date(s) designated in the PAL RO at the same PAL Point where Shipper delivered the Gas, pursuant to the PAL RO and Section 5 of this Rate Schedule.

- (b) Lending Service – Lending Service shall consist of Transporter's advancement of Gas quantities to Shipper at a designated PAL Point on the designated date(s), as specified in the PAL RO pursuant to Section 5 of this Rate Schedule, and Shipper's subsequent payback of such advanced (loaned) quantities by Shipper to Transporter at the same PAL Point where the loan occurred, pursuant to the PAL RO and Section 5 of this Rate Schedule.
- (c) Parked quantities must be withdrawn or loaned quantities must be paid back to the original designated point(s). The PAL RO cannot be used to transport Gas to or from the original PAL Point(s) specified in the PAL RO.
- (d) Gas quantities may be delivered to a PAL Point for parking or payback of a loan from receipt points on Transporter's System.

2.4 Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term.

2.5 In no event shall Transporter be required to provide service under this Rate Schedule that would require Transporter to install, operate, acquire or maintain any additional facilities.

3. DEFINITIONS

3.1 PAL Point: The transaction point(s) on Transporter's System where parking and lending services are provided to Shipper, as specified in the executed PAL RO. PAL Points will be associated with existing locations on Transporter's System.

3.2 Maximum PAL Quantity: Shipper's maximum park or loan quantity shall be the total amount permitted to be parked or loaned in Shipper's account as specified in the executed Agreement and PAL RO.

3.3 Daily PAL Quantity: The maximum daily quantity that may be parked or loaned at the PAL Point as specified in the executed PAL RO. The PAL RO may specify a range for the quantity of a park or loan. On any Day, the sum of all Daily PAL Quantities on the PAL ROs for Shipper shall not exceed the Maximum PAL Quantity.

4. RATES AND CHARGES

4.1 Each Month, Shipper shall pay an amount determined by the parking and lending rates/fees set forth in the PAL RO. The PAL RO shall be posted on Transporter's EBB.

4.2 Applicable Rates. The applicable rates for service under this Rate Schedule PAL, or any superseding Rate Schedule, shall be subject to the other provisions hereof and shall be set forth in the PAL RO. Shipper shall pay Transporter the sum of the following charges, as described below:

- (a) An Initial Rate for each Dth of Gas tendered for park or taken for loan during the Month;
- (b) A Park/Loan Balance Rate for each Dth of Gas which is parked or loaned for that Month (such charge shall be calculated on the basis of the end of the Day balances for each Day of the Month such a balance occurs); and
- (c) A Completion Rate for each Dth of Gas paid back to Transporter on completion of a loan (i.e., loan payback) or withdrawn by Shipper on completion of a park (i.e., park withdrawal) that Month.

Notwithstanding the individual rates listed in the PAL RO, on any one Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate shall not exceed the maximum Initial Rate as shown on the Statement of Rates.

4.3 Surcharges: No surcharges are applicable to PAL service under this Rate Schedule.

4.4 Fuel and L&U charges are not applicable to service under this Rate Schedule.

4.5 Authorized overrun charges shall be assessed on a daily basis for any nominated and confirmed quantities that exceed the specified PAL RO's Daily PAL Quantity. Authorized overrun charges will be assessed at the maximum rate shown on the Statement of Rates, unless otherwise agreed to in writing by Transporter.

4.6 Should Transporter be unable to confirm a valid nomination under this Rate Schedule to pay back loaned quantities or to remove parked quantities, the Park/Loan Balance Rate shall be reduced to \$0.0000 per Dth for that Day for the quantities Transporter is unable to confirm. If the Day on which Transporter is unable to confirm a valid nomination under this Rate Schedule to pay back loaned quantities or to withdraw parked quantities is the final Day of the term of the PAL RO, the term shall be automatically extended for one Day and the Park/Loan Balance Rate for the additional Day shall be \$0.0000 per Dth.

4.7 Subject to the provisions of Section 4.6 of this Rate Schedule, should Transporter and Shipper agree to a discounted or negotiated rate pursuant to the applicable provisions of this Tariff the quantities withdrawn or paid back on dates other than those stated in the PAL RO shall be assessed the maximum Completion Rate as shown on the Statement of Rates. However, quantities paid back or withdrawn on dates other than those indicated on the PAL

RO pursuant to the provisions of Section 6.3 of this Rate Schedule shall be assessed the rates stated in the PAL RO.

4.8 Adjustment of Rates

- (a) Transporter may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the PAL RO.
- (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to GT&C Section 4.13; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the PAL RO, the rate for service shall revert to the maximum applicable rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in GT&C Section 4.14, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

5. SCHEDULING PAL SERVICE

5.1 Shipper shall nominate PAL service under this Rate Schedule in accordance with the nomination procedures set forth in the GT&C of this Tariff.

5.2 PAL service may be interrupted at any time and such interruptions may be in effect for extended periods of time. Interruption of PAL service may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of Gas if Transporter in its reasonable discretion determines that such decrease, suspension or discontinuance is necessary to maintain system integrity or when a higher priority service so requires.

5.3 Scheduling of PAL service will be based on the priorities for parking and lending services established in GT&C Section 6.3. If allocations become necessary, curtailment will be based on the priorities established in GT&C Section 6.5.

5.4 Shipper shall not pay back more than the quantity loaned nor withdraw more than the quantity parked stated in PAL RO.

6. INTERRUPTION OR TERMINATION OF PAL SERVICE

6.1 Shipper may be required, upon notification from Transporter, to withdraw quantities of Gas previously provided to Transporter under the parking service, or pay back quantities of Gas previously loaned to Shipper under the lending service. Such notification shall only be made when the required Shipper action is necessary to protect the operational integrity of Transporter's System or to allow Transporter to fulfill higher priority commitments. Primary notification shall be provided by telephone, and additionally by e-mail, facsimile or on Transporter's EBB.

6.2 Should Transporter notify Shipper to withdraw or payback quantities of Gas pursuant to Section 6.1 of this Rate Schedule, Transporter's notification shall specify the time by which parking service quantities shall be withdrawn and/or lending service quantities shall be paid back. The time period in which Shipper must act will be determined based on the necessity to protect and ensure firm service. Absent a mutual agreement between Transporter and Shipper or the declaration of a Strained or Critical Operating Condition, in no event shall the specified time be less than three calendar days from the date of Transporter's notification. Upon Transporter's declaration of a Strained or Critical Operating Condition, Transporter may require Shipper to withdraw or pay back quantities of Gas, pursuant to Section 6.1 of this Rate Schedule, within one calendar day.

6.3 Pursuant to the operational conditions described in Section 6.1 above, unless otherwise agreed by Shipper and Transporter, (i) any parked quantity not withdrawn as required by Section 6.1 shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, (Transporter will credit the net value of confiscated quantities pursuant to GT&C Section 14.3) and, (ii) any loaned quantity not paid back as required by Section 6.1 of this Rate Schedule shall be sold to Shipper at the highest price, determined as 150% of Transporter's Reference Spot Price, set forth in GT&C Section 10.4(b) among either:

- (a) the Month in which the authorized loan occurred;
- (b) the Month in which pay back of the authorized loan was scheduled but did not occur; or
- (c) any Month between (a) and (b) above.

6.4 If Transporter receives a valid PAL nomination complying with a notification pursuant to Section 6.1 of this Rate Schedule but is unable to confirm or schedule such nomination, the obligation of Shipper to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled. Furthermore, under the circumstances described by this Section 6.4, the penalty provision of Section 6.3 of this Rate Schedule shall not apply until such nomination is able to be confirmed and scheduled. Additionally, Transporter and Shipper may mutually agree to extend the agreed upon term of the PAL RO for the amount of time that the transaction was unable to be scheduled.

6.5 Shipper is required to withdraw all parked quantities and pay back all loaned quantities no later than the termination date of the PAL RO. Upon termination of a PAL RO, (i) any parked quantity not withdrawn shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, (Transporter will credit the net value of confiscated quantities pursuant to GT&C Section 14.3) and (ii) any loaned quantity not paid back shall be sold to Shipper at the highest price, determined as 150% of Transporter's Reference Spot Price set forth in GT&C Section 10.4(b), among either:

- (a) the Month in which the authorized loan occurred;
- (b) the Month in which pay back of the authorized loan was scheduled but did not occur; or
- (c) any Month between (a) and (b) above.

In the event parked quantities remain in Transporter's System and/or loaned quantities have not been paid back to Transporter's System after the expiration of any PAL RO executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms (which may include the rate) of such PAL RO, to permit Shipper to pay back and/or withdraw such quantities. If Shipper and Transporter do not agree to an extended time frame and/or modified terms, the rate charged under the PAL RO shall be the maximum rate as set forth on the Statement of Rates.

6.6 Shipper or its suppliers shall be responsible for reporting and payment of any royalty, tax, or other burdens on Gas volumes received by Transporter pursuant to this Section 6 of this Rate Schedule and Transporter shall not be obligated to account for or pay such burdens.

7. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the executed Agreement, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions, deletions to said GT&C, are applicable to service rendered under this Rate Schedule and, by this reference, are made a part hereof. For purposes of this Rate Schedule, the term "PAL RO" shall be substituted for all references to the term "Transportation Service Agreement" or "TSA" where such term appears in the GT&C. To the extent of any conflict, contradiction or ambiguity arising between the GT&C, on the one hand, and any PAL RO, on the other, the GT&C shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant PAL RO, unless such provision of the PAL RO has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C to the maximum extent possible.

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Unless otherwise stated, these General Terms and Conditions apply to all transportation service provided under this Tariff.

1. DEFINITIONS

- 1.1 "Action Alert" – shall have the meaning set forth in GT&C Section 11.1(a).
- 1.2 "Bidding Shipper" – shall mean any Shipper who is pre-qualified pursuant to Section 9 of the GT&C to bid for capacity or who is a party to a prearranged release.
- 1.3 "British Thermal Unit" or "Btu" – shall mean the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at standard conditions, defined as a pressure of 14.73 pounds per square inch at a temperature of 60 degrees Fahrenheit on a dry basis.
- 1.4 "Bumping" or "Bump" - shall mean:
- (a) The reduction of a previously scheduled and confirmed interruptible transportation quantity to permit Transporter to schedule and confirm a firm transportation nomination which has a higher priority and which was submitted as an intraday nomination.
 - (b) In the event of an intraday recall of released capacity, "Bumping" or "Bump" shall also mean the reduction of the Replacement Shipper's previously scheduled and confirmed firm transportation quantity.
- Bumping that affects transactions on multiple Transportation Service Providers should occur at grid-wide synchronization times only (NAESB WGQ Standard 1.3.39). Absent an agreement to the contrary between Transporter, Shipper and any affected interconnect party, a Bump shall not result in a scheduled quantity that is less than the applicable elapsed prorated flow quantity. 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 (NAESB WGQ Standard 1.2.12).
- 1.5 "Business Day" – shall mean any day other than a Saturday, Sunday, other day on which commercial banks in the City of New York are authorized or required to close, or similar holidays for transactions occurring in Canada and Mexico (NAESB WGQ Standard 3.2.1).
- 1.6 "Cash Out" – shall mean the valuation of a Transportation Imbalance at a market-related price pursuant to the requirements of GT&C Section 10.4.
- 1.7 "Critical Notice" – shall be defined, in conformance with NAESB WGQ Standard 5.2.1, as any notice which pertains to information of conditions on Transporter's System that affect scheduling or adversely affect scheduled Gas flow.
- 1.8 "Critical Period" – shall mean a period in which an Action Alert or OFO has been issued by Transporter pursuant to GT&C Section 11.

- 1.9 "Cubic Foot" – shall mean the volume of gas which would occupy a space of 1 cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (p.s.i.a.). "Mcf" shall mean 1,000 cubic feet. "MMcf" shall mean 1,000,000 cubic feet. Pressure Base conversion factors should be reported to not less than 6 decimal places. (NAESB WGQ Standard 2.3.10) However, the reporting basis for Gas transactions is thermal.
- 1.10 "Day" or "Gas Day" – shall mean a period of 24 consecutive Hours, except for those Days that are adjusted for Daylight Savings Time, commencing and ending at 9:00 a.m., Central Clock Time ("CCT"), or such other period as the parties may agree upon. "Clock time" indicates that Transporter will adjust its Gas Day to reflect changes for Daylight Savings Time. Unless otherwise stated, a period of "Days" will mean consecutive calendar Days.
- 1.11 "Dekatherm" ("Dth") – one (1) Dth shall mean a quantity of Gas containing one million (1,000,000) Btu's. One (1) Dth of Gas shall mean the quantity of Gas which contains one (1) Dekatherm of heat energy and will be reported on a dry MMBtu or Dth basis. Dth is the standard quantity unit for nominations, confirmations and scheduled quantities in the United States. The standard conversion factor between Dth and Canadian Gigajoules (Gj) is 1.055056 Gjs per Dth. As used in this Tariff, related services agreements, statements and invoices, MMBtu and Dth are considered synonymous.
- 1.12 "Electronic Bulletin Board" ("EBB") – shall mean Transporter's EBB which is available at Transporter's designated Internet Website at www.sunburypipeline.com, pursuant to Section 20 of the GT&C.
- 1.13 "Emergency Gas" – shall mean gas purchased or utilized to protect Transporter's system integrity.
- 1.14 "Federal Energy Regulatory Commission" – shall mean the federal regulatory agency, or any succeeding agency, having jurisdiction over this Gas Tariff, also referred to as "FERC" or "Commission."
- 1.15 "Flow Path Secondary Capacity" – shall mean the capacity status assigned to that portion of a firm transportation transaction for which the receipt and/or delivery point lies outside the Primary Receipt-to-Delivery Flow Path when at least some part of such transaction passes through Shipper's Primary Receipt-to-Delivery Flow Path. Additionally, the Flow Path Secondary priority shall apply to any non-Primary Point that lies within Shipper's Primary Receipt-to-Delivery Flow Path, and such point shall be designated a Flow Path Secondary Point. Flow Path Secondary Capacity is limited by the capacity entitlement of the underlying TSA on the Primary Receipt-to-Delivery Flow Path being used.
- 1.16 "FL&U" – shall mean Fuel Gas and Lost and Unaccounted for Gas.
- 1.17 "Fuel" – shall mean the quantity of Gas determined to be consumed during the transportation of Gas.

- 1.18 "GT&C" – shall mean the Transportation General Terms and Conditions of this Tariff.
- 1.19 "Gross Heating Value" – shall mean the number of Btus produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of 1 Cubic Foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 psia with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.
- 1.20 "Hour" – shall mean a period of 60 consecutive minutes beginning at the top of each Hour of the Gas Day and ending at the top of the next Hour (i.e., Hour 1 starts at 9:00 a.m. CCT and ends at 10:00 a.m. CCT).
- 1.21 "Imbalance Trade" – shall mean the reallocation of imbalances from one Shipper to another Shipper in order to reduce the imbalance of both Shippers pursuant to Section 10.3(b) of the GT&C.
- 1.22 "Interconnecting Party" – shall mean the party or such party's designee that is responsible for operations of a natural gas pipeline or storage system which interconnects with Transporter's pipeline system and is responsible for verifying nominations and scheduling Gas flow at such points of interconnection. An Interconnecting Party is also a Confirming Party. Each Interconnecting Party is required to submit confirmation pursuant to the timelines identified in Section 6 of the GT&C, unless specifically exempted by Transporter on a not unduly discriminatory basis.
- 1.23 "L&U" – shall mean lost and unaccounted-for Gas.
- 1.24 "Maximum Delivery Quantity" or "MDQ" - shall mean the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated to deliver under a firm TSA.
- 1.25 "Maximum Hourly Quantity" or "MHQ" – shall mean 1/24th of Shipper's MDQ under each Rate Schedule FT TSA.
- 1.26 "Month" – shall mean a period commencing on the first Day of the corresponding calendar month and ending at the beginning of the first Day of the next following calendar Month.
- 1.27 "NAESB WGQ Standards" – shall mean the Wholesale Gas Quadrant standards developed by the North American Energy Standards Board, or the wholesale natural gas standards developed by any successor consensus wholesale natural gas standards developer, as such standards are adopted by FERC and in effect from time to time.

- 1.28 “Natural Gas” or “Gas” – shall mean any mixture of hydrocarbons or of hydrocarbons and noncombustible gases, in a gaseous state, consisting essentially of methane.
- 1.29 “OBA Point(s)” – shall mean any point at which Transporter has in place an Operational Balancing Agreement pursuant to GT&C Section 10.6.
- 1.30 “Operator” – shall mean the person or entity that is responsible for the operation of a facility at which Gas flows into or out of Transporter's System.
- 1.31 “Prearranged Shipper” – shall mean any Shipper which is qualified, pursuant to Section 9 of the GT&C, and seeks to acquire capacity under a prearranged release for which notice is given pursuant to Section 9.6.
- 1.32 “Primary Capacity” – shall mean the transmission system capacity on any portion of the Primary Receipt-to-Delivery Flow Path reserved for a Shipper under a firm TSA.
- 1.33 “Primary Point(s)” – shall mean those receipt and delivery point(s) where Shipper is entitled to firm service.
- 1.34 “Rate Default” – shall mean, for index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default. (NAESB WGQ Standard 5.2.5)
- 1.35 “Rate Floor” – shall mean, for index-based capacity release transactions, Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transportation Service Provider's minimum reservation rate or zero cents when there is no stated minimum reservation rate. (NAESB WGQ Standard 5.2.4)
- 1.36 “Receipt-to-Delivery Flow Path” – shall mean the path of Gas through and from a receipt point to and through a delivery point. Furthermore, “Primary Receipt-to-Delivery Flow Path” shall mean the path of Gas through and from primary receipt point(s) to and through primary delivery point(s). The direction of flow shall be deemed to be from the primary receipt point to the primary delivery point.
- 1.37 “Releasing Shipper” – shall mean any Shipper with a TSA under Rate Schedule FT who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the GT&C.
- 1.38 “Replacement Capacity Agreement” – shall mean the agreement pursuant to which a Replacement Shipper acquires a transportation service(s) on Transporter pursuant to Section 9 of the GT&C.

- 1.39 "Replacement Shipper" - shall mean any Shipper who acquired capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the GT&C.
- 1.40 "Right-of-First-Refusal" or "ROFR" – shall mean a right of first refusal as described in Section 4.8 of the GT&C.
- 1.41 "Secondary Capacity" - shall mean capacity nominated under a firm TSA that is other than Primary Capacity, Flow Path Secondary Capacity or overrun capacity.
- 1.42 "Secondary Point(s)" - shall mean those receipt and delivery points which are not specified in the firm TSA as Primary Points. Secondary Points which lie in the Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary.
- 1.43 "Secondary Delivery Point" - shall mean a delivery point which is not specified in the firm TSA as a primary delivery point and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.44 "Secondary Receipt Point" - shall mean a receipt point which is not specified in the firm TSA as a primary receipt point and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.45 "Shipper" – shall mean any person or entity which either (a) is receiving service under an effective TSA on Transporter's System; (b) has executed a service agreement under any Rate Schedule; or (c) has completed a request for service.
- 1.46 "Transco Interconnect" – shall mean the meter at the point of interconnect between Transporter's system and the facilities of Transcontinental Gas Pipe Line Company in Lycoming County, Pennsylvania, approximately 8 miles west of Transco Compressor Station 517.
- 1.47 "Transportation Service Agreement" or "TSA" – shall mean the contract between Transporter and Shipper setting forth rights and obligations of the parties with respect to the transportation of Gas.
- 1.48 "Transportation Service Provider" – shall mean Transporter and any other natural gas pipeline subject to regulation by FERC.
- 1.49 "Transporter" – shall mean UGI Sunbury, LLC.
- 1.50 "Transporter's System" – shall mean Transporter's System as displayed on the map posted on Transporter's EBB at www.sunburypipeline.com.

2. MEASUREMENT

- 2.1 Unit of Measurement and Metering Base - The volumetric measurement basis shall be 1 Cubic Foot of gas at a pressure base of 14.73 pounds per square inch absolute, at a temperature base of 60 degrees Fahrenheit, and without adjustment for water vapor.
- 2.2 Measurement Specifications. The quantities of Gas measured hereunder shall be computed in accordance with industry standard specifications. Factors required in the computations shall be determined from the following information:
- (a) Atmospheric Pressure. For the purpose of measurement, calculation and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual altitude of each point of measurement irrespective of variations in natural atmospheric pressure from time to time.
 - (b) Temperature. The temperature of the Gas shall be determined at the points of measurement by means of a properly located and installed temperature transmitter of standard manufacture determined by Transporter in exercise of its reasonable judgment. For on-site flow computations in electronic flow computers, the instantaneous measurement of temperature will be used in such computations. For offsite calculations and recalculations, the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time which gas was flowing.
 - (c) Determination of Heating Value, Specific Gravity (also referred to as Relative Density), and Gas Composition. The gross Heating Value, specific gravity, and composition of the Gas may be determined by Gas chromatographic analysis or any other method mutually agreed upon. This shall be done by either a Gas sample or by an on-line Gas chromatograph. The determination of gross Heating Value, specific gravity, and gas composition from chromatograph shall input continuously into the computer for quantity calculations. In the event a spot or continuous Gas sampler is installed, then the gross Heating Value, specific gravity, and gas composition shall be determined in the laboratory by chromatograph and will be used from the date the analysis is downloaded into the flow computer until the date the next sample is analyzed and downloaded to the flow computer. All gross Heating Value, specific gravity, and gas composition determinations made with a chromatograph shall use physical Gas constants for Gas compounds, as outlined in AGA Report No. 5, Natural Gas Energy Measurement, with any subsequent amendments or revisions to which the parties may mutually agree.
 - (d) Compressibility. The measurement hereunder shall be corrected for deviation from Boyle's law in accordance with AGA Report No. 8, as amended from time to time.
- 2.3 Measurement Equipment. Unless otherwise agreed between Transporter and Operator/Interconnecting Party, Transporter will install, maintain, operate or

cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and delivered hereunder shall be determined.

The reading, calibrating, and adjusting of electronic computer components and/or mechanical recording instruments thereof shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon. Both Transporter and Shipper 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 measuring equipment; provided, however, failure of either Transporter or Shipper to witness such an operation shall not affect the validity of such operation in any way. The records from such measuring equipment shall remain the property of their owner, but upon request, each will submit within 10 Business Days to the other its records, together with calculations there from, for inspection, subject to return within thirty (30) Days after receipt thereof.

Types of measurement equipment may include the following:

- (a) Orifice Meters. Orifice meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 3 "Orifice Metering of Natural Gas", as amended from time to time.
- (b) Ultrasonic Meters. Ultrasonic meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 9 "Measurement of Gas by Multipath Ultrasonic Meters", as amended from time to time.
- (c) Positive Displacement Meters. Positive displacement meters shall be installed and Gas volumes computed in accordance with generally accepted industry practices.
- (d) Turbine Meters. Turbine meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 7 "Measurement of Natural Gas by Turbine Meter", as amended from time to time.
- (e) Coriolis Meters: Coriolis meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 11 "Measurement of Natural Gas by Coriolis Meter", as amended from time to time.
- (f) Electronic Flow Computers. Electronic flow computers shall be used for direct computation of Gas flows for custody transfer in accordance with the standards prescribed in API 21.1, as amended from time to time.
- (g) New Measurement Techniques. If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors

used in such Gas measurement, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment provided that the new method or technique reflects generally accepted industry practices. Transporter shall promptly inform all Shippers of any new technique adopted.

- 2.4 Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representatives of Shipper, but neither Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any 30-Day period. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.
- 2.5 Correction of Metering Errors. If, upon test, the measuring equipment is found to be in error by not more than one percent (1%), previous recordings of such equipment shall be considered accurate in computing deliveries, but such equipment shall be adjusted at once to record accurately. If, upon test, the measuring equipment shall be found to be in error by an amount exceeding one percent (1%), at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon between Transporter and Shipper/Operator. In case the period is not known or agreed upon by Transporter and Shipper/Operator, such correction shall be for a period equal to one-half of the time elapsed since the date of the last test.
- 2.6 Failure of Measuring Equipment. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible:
- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation.
 - (b) By using the registration of any check meter or meters, if installed and accurately registering.
 - (c) By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.
- 2.7 Adjustments. The cutoff for closing measurement is five (5) Business Days after the business Month (NAESB WGQ Standard 2.3.7). Measurement data that is missing or late at the cutoff is to be estimated pursuant to NAESB WGQ Standard 2.3.13. For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production Month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the

business Month (NAESB WGQ Standard 2.3.11). For reporting measurement prior period adjustments, report it with the restated line item with the new total quantity for the Day and Month (NAESB WGQ Standard 2.3.12).

Measurement data corrections shall be performed pursuant to NAESB WGQ Standard 2.3.14. Measurement data corrections should be processed within 6 Months of the production Month with a 3-Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard 2.3.14). This 3-Month rebuttal period shall begin with the interested party issuing a written notification that a measurement dispute exists. These disputes will apply to measurement errors that involve quantities for which Transporter has direct custody transfer responsibilities, as well as volumes measured by other companies that have been audited by Transporter.

- 2.8 Preservation of Records. Shipper and Transporter shall preserve for a period of at least 3 years, or for such longer period as may be required by appropriate authority, all test data and other similar records.
- 2.9 Check Measurement. Subject to the terms of any interconnect agreement at Transporter's sole election, Shipper may install check-measuring equipment at its own cost and expense, provided such equipment shall be so installed as not to interfere with the operations of Transporter. The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided in the applicable agreement, shall not be used in the measurement of Gas for purposes of such interconnect agreement.
- 2.10 Measurement data available upstream of aggregated points should be sent to the allocating party and used to allocate the aggregated volume back to the upstream points (NAESB WGQ Standard 2.3.8).
- 2.11 Transporter's measurement information provided via electronic delivery mechanism (EDM) shall conform to the requirements of the Data Dictionary standards as set forth in NAESB WGQ Standards 2.4.4 and 2.4.5.

3. QUALITY

- 3.1 Gas Quality Specifications. The Gas which Transporter delivers to Shipper at a delivery point and the Gas that Shipper delivers to Transporter at a receipt point for transport shall be merchantable gas, at all times complying with the requirements set forth in this Section.
- (a) Liquids – The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received or delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per one million (1,000,000) standard cubic feet.
 - (b) Total Sulfur – The gas shall not contain more than twenty (20) grain of total sulfur per one hundred (100) standard cubic feet, which includes hydrogen sulfide, carbonyl sulfide, carbon disulfide, mercaptans, and mono-, di- and polysulfides.
 - (c) Hydrogen Sulfide – The gas shall not contain more than three-tenths (0.3) grain of hydrogen sulfide per one hundred (100) standard cubic feet.
 - (d) Dust, Gums and Solid Matter – The gas shall be commercially free from solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose or merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.
 - (e) Heating Value – The gas shall have a Heating Value of not less than nine hundred sixty seven (967) Btu per Cubic Foot, and not more than 1,100 Btu per Cubic Foot.
 - (f) Temperature – The gas shall be delivered at temperatures not in excess of one hundred twenty degrees Fahrenheit (120°F).
 - (g) Deleterious Substances – The gas shall not contain any toxic or hazardous substance, in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities or be a limit to merchantability.
 - (h) If, at any time, gas delivered by Transporter shall fail to substantially conform to the specifications set forth in this GT&C Section 3.1, Shipper or its designee agrees to notify Transporter of such deficiency. Shipper, or its designee, may agree to waive Transporter's compliance with its delivery specifications or, if Transporter fails to promptly remedy any such deficiency within a reasonable time, then Shipper or its designee may, at its option, refuse to accept delivery pending correction of the deficiency by Transporter or continue to accept delivery and make such changes as necessary to cause the gas to conform to such specifications, in which event Transporter shall reimburse Shipper or its

designee for all reasonable expenses incurred by Shipper or its designee in effecting such changes.

- 3.2 Shipper Failure to Meet Specifications. If, at any time, gas tendered by Shipper for transportation shall fail to conform to any of the applicable quality specifications set forth in GT&C Section 3.1 and Transporter notifies Shipper of such deficiency and Shipper fails to remedy any such deficiency within a reasonable period of time (immediately in those situations described in GT&C Section 11), Transporter may, at its option, refuse to accept such gas pending correction of the deficiency by Shipper or, Transporter may continue to accept the receipt of such gas and make such changes as are necessary to cause the gas to conform to such specifications, in which event Shipper shall reimburse Transporter for all reasonable expenses incurred by Transporter in effecting such changes, including operational and gas costs associated with purging and/or venting the pipeline. Failure by Shipper to tender quantities that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the obligations of Shipper existing under any other provisions of the executed TSA. In the event Gas is delivered into Transporter's System that would cause the Gas in a portion of Transporter's pipeline to become unmerchantable, then Transporter is permitted to act expediently to make the gas merchantable again by any and all reasonable methods, including, without limitation, venting the pipeline of whatever quantity of Gas is necessary to achieve a merchantable stream of gas. Shipper shall reimburse Transporter for all reasonable expenses incurred by Transporter to obtain merchantable Gas again, including operational and gas costs associated with venting the pipeline. In such cases, Transporter shall promptly notify Shipper of the non-conforming supply and any steps taken to protect the merchantability of the gas.
- 3.3 Transporter may accept any Gas that does not meet the specifications set forth in Section 3.1 on a short-term basis for operational reasons which may include plant start-ups, plant upsets, or line freeze-offs.
- 3.4 Waiver of Quality Specifications. Transporter, in its reasonable discretion and judgment, exercised on a not unduly discriminatory basis, may waive one or more of its gas quality specifications at any receipt point to accept gas that does not conform to the quality specifications set forth in Section 3.1 or 3.2 of the GT&C, if Transporter determines that such acceptance will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system; (2) ensure that such gas does not adversely affect Transporter's ability to operate its system and to provide adequate service to its customers consistent with the applicable Rate Schedule and the GT&C; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its delivery point(s).
- 3.5 Delivery Point Obligations. Upon mutual agreement between Transporter and a downstream Interconnecting Party, Transporter may temporarily deliver Gas that does not conform to the quality specifications set forth in GT&C Section

3.1, if Transporter, in its reasonable operational judgment and in a not unduly discriminatory manner, determines that such delivery will not interfere with its ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline system, (2) ensure that such agreement does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such agreement does not adversely affect Transporter's ability to deliver gas at its delivery point(s). Transporter may post waivers on its EBB at its discretion and will report waivers in accordance with Part 358 of the Commission's Regulations.

- 3.6 Odorization. Transporter shall not odorize the Gas delivered, nor maintain any odorant levels in such Gas, unless required by a governmental body. Transporter shall provide prompt notice to Shipper if Transporter odorizes the Gas in its pipeline system. However, Shipper acknowledges that Transporter has no control over odorant levels in Gas entering its pipeline system from upstream pipelines. Notwithstanding GT&C Section 25.1, Shipper agrees to indemnify and hold harmless Transporter, its officers, agents, employees and contractors against any liability, loss or damage, including litigation expenses, court costs and attorneys' fees, whether or not such liability, loss or damage arises out of any demand, claim, action, cause of action, and/or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the executed TSA, where such liability, loss or damage is suffered by Transporter, its officers, agents, employees and/or contractors as a direct or indirect result of any actual or alleged sole or concurrent negligent failure by Transporter or any actual or alleged act or omission of any nature by Shipper to odorize the Gas or product delivered under the executed TSA or to maintain any odorant levels or remove odorant in such Gas or product.
- 3.7 Testing Procedures. To determine whether specified sulfur compound limitations are being met as stated under GT&C Section 3.1 hereof, Transporter shall use the appropriate American Society for Testing Materials Procedures (as revised) Volume 05.05 Gaseous Fuels; Coal and Coke and/or accepted industry practices such as sulfur analyzers and chromatographs.
- 3.8 It is recognized that gas delivered by Shipper will be commingled with other gas transported hereunder by Transporter. Accordingly, the gas delivered by Shipper shall be subject to changes in heat content, as well as other components, as may result from such commingling and Transporter shall, notwithstanding any other provision herein, be under no obligation to redeliver for Shipper's account, gas identical to that caused to be delivered by Shipper to Transporter.

REQUESTS FOR SERVICES

4. REQUESTS FOR SERVICES

- 4.1 Request for Service. In order to complete a valid request for service, a Shipper must comply with the provisions of GT&C Sections 4.2 and 4.11. Transporter is not obligated to provide service for requests if the quantities requested are so small as to cause operational difficulties, such as measurement, or for time periods of less than one (1) Month.

4. REQUESTS FOR SERVICES

- 4.2 Information to be Provided. If a Shipper desires service under this Tariff, it must request the service by providing the following information in writing:
- (a) The full legal name, business address and phone number, and state of incorporation of the Shipper requesting service and all contact information, including the name of the person(s) who should be contacted.
 - (b) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer.
 - (c) The extent of Shipper's affiliation with Transporter.
 - (d) Shipper's Dun and Bradstreet (DUNS) number.
 - (e) Type of service: FT, IT or PAL.
 - (f) The initial term of the service, including beginning and ending dates.
 - (g) The Maximum Delivery Quantity or Maximum PAL Quantity under the contract.
 - (h) Receipt and delivery points requested.
 - (i) Daily quantity at each receipt point(s) ____ Dth/Day.
Daily quantity at each delivery point(s) ____Dth/Day.
Daily maximum park and/or loan quantity____Dth/Day.

The total receipt point capacity must equal the total delivery point capacity.

4. REQUESTS FOR SERVICES

4.3 Capacity Bidding and Evaluation Criteria.

- (a) A Shipper bidding for released firm capacity from another Shipper must follow the procedures of GT&C Section 9.
- (b) Transporter must grant requests for firm service, either on a first-come-first-served basis or through an open season, on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
 - (i) For service with a term of one (1) year or longer, the service must be requested to begin no later than three (3) Months after the date the request is granted;
 - (ii) For service with a term greater than three (3) Months but less than one (1) year, the service must be requested to begin no later than one (1) Month after the date the request is granted;
 - (iii) For service with a term of three (3) Months or less, the service must be requested to begin no later than ten (10) Business Days after the date the request is granted.
- (c) Transporter will consider, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:
 - (i) The request is associated with an open season;
 - (ii) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract;
 - (iii) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.
- (d) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its EBB to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season. When an open season is being conducted, all applicable requests for service will be treated under this open season process.
- (e) Transporter will conduct an open season (involving either an open offer to sell capacity or a pre-arranged transaction) if it wishes to sell capacity where the requested start date extends one (1) year or more into the future. The open season will comply with the requirements of GT&C Section 4.3(d).

- (f) If Transporter sells firm capacity pursuant to GT&C Section 4.3(c)(i), that capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm TSA. Where the requested start date of the prospective capacity extends more than one (1) year into the future and the interim capacity would otherwise be eligible for the ROFR if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the TSA will note the limitation.

4. REQUESTS FOR SERVICES

- 4.4 If Shipper fails to execute an agreement or any amendment thereto tendered by Transporter in response to a valid request for service within thirty (30) Days of the date tendered, or by the effective date for the commencement of Shipper's requested service, whichever date is earlier, Shipper's request to change its transportation service shall be deemed null and void.

4. REQUESTS FOR SERVICES

- 4.5 Capacity Reserved for Expansion Projects. Transporter may elect to reserve for future expansion projects, any unsubscribed capacity or capacity under expiring or terminating TSAs where such TSAs do not have a ROFR or Shipper does not exercise its ROFR.
- (a) Capacity may be reserved up to one (1) year prior to Transporter filing for certificate authority for construction of proposed expansion facilities, and thereafter until all expansion facilities are placed into service.
 - (b) Transporter may only reserve capacity for a future expansion project for which an open season has been or will be held within one (1) year of the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.5.
 - (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its EBB. Transporter's posting for reserved capacity for future expansion projects shall include the following information: (i) a description of the 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, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. To the extent Transporter has not already solicited turnback capacity, the posting for reserved capacity shall also include a non-binding solicitation for turnback capacity to serve the expansion project, provided that Transporter shall post the non-binding solicitation for turnback capacity no later than ninety (90) Days after the close of the expansion project open season. Transporter shall make reasonable efforts to update the posting up to the in-service date of the project to reflect any material project changes.
 - (d) Transporter will make capacity available through an open season or an EBB capacity posting before Transporter reserves such capacity for a future expansion project. If Transporter elects to hold an open season to make capacity generally available, Transporter shall have the right to state in the 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 previous capacity open season, Transporter shall hold another 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 reservation of capacity open season, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.

- (e) Any interim capacity created by a reservation of future capacity shall be made available for transportation service pursuant to these GT&C on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term TSAs, Transporter reserves the right to limit any term extension rights provided in the TSA and pursuant to GT&C Section 4.8 commensurate with the proposed in-service date of the expansion project. Transporter will indicate in any open season posting of the capacity any limitations on term extension rights that will apply to such limited-term transportation service.
- (f) Any capacity reserved for a project that does not go forward for any reason shall be reposted on the EBB as generally available capacity within thirty (30) Days of the date that the project terminates.

4. REQUESTS FOR SERVICES

- 4.6 Electronic Execution of Agreements - For all TSAs, and including all exhibits, and amendments thereto entered on or after the effective date of this tariff provision (all of which shall be referred to as TSAs for purposes of this Section 4.6), Transporter and Shipper shall electronically execute such TSAs which shall be deemed to be in the form of the Form of Service Agreement for the applicable Rate Schedule, unless the Shipper specifically requests a written TSA and submits no nomination for service while the written TSA is pending. Electronic execution of a non-conforming TSA shall be followed up with a written TSA which shall be executed and filed for Commission review.
- (a) The TSA shall be deemed to be executed by Shipper when the Shipper accepts the service request electronically via Transporter's EBB. The TSA shall be deemed to be executed by Transporter when Transporter accepts the Shipper's request for capacity using the EBB. A TSA that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.
 - (b) Notwithstanding the above, if the Shipper and Transporter electronically execute a TSA and the Shipper later requests a written TSA, the electronic TSA shall be deemed the original until the written TSA is executed by both parties.
 - (c) If the TSA contains provisions that must be reviewed by the Commission, it will be stated in written form and executed by the parties. In such case, a facsimile may be deemed an executed original until such time as the Shipper returns the executed original TSA. Should Shipper submit a nomination pursuant to such TSA subsequent to electronic execution but prior to returning the executed original paper TSA, the act of nominating shall be deemed an electronic signature. However, such provisions will not become effective until reviewed and accepted by the Commission.

4. REQUESTS FOR SERVICES

- 4.7 Changes to Shipper's Transportation Service. If Shipper desires to change its transportation service, it must request the change in writing, including any changes in the information required in GT&C Section 4.2. If Transporter agrees to the requested amendment, it will prepare and tender to Shipper an amendment to the TSA.

4. REQUESTS FOR SERVICES

4.8 Right-of-First-Refusal ("ROFR")

- (a) Any Shipper with a firm TSA for Transportation service shall have a ROFR, as described in this Section 4.8, for the capacity underlying the Shipper's TSA provided that:
 - (i) The TSA is a maximum rate contract for 12 or more consecutive Months of service or the TSA is a multi-year seasonal contract at the maximum rate for services not offered by the pipeline for a full 12 Months;
 - (ii) Shipper complies with the requirements set forth in this Section 4.8 herein;
 - (iii) Shipper does not have a discounted or negotiated rate firm TSA except as provided in GT&C Section 4.8(h); and
 - (iv) Shipper does not have an interim TSA for entitlements associated with expansion projects as set forth in GT&C Section 4.5.
- (b) A Shipper may exercise its ROFR to retain only a percentage of the MDQ in a TSA subject to ROFR and may exercise its ROFR on contractual stepdown quantities in a TSA subject to ROFR.
- (c) Shipper Notice of Intent to Exercise.
 - (i) For all firm TSAs eligible for the ROFR, Shipper shall provide notice to Transporter in writing of its intent to exercise its ROFR rights.
 - (ii) Except as described in GT&C Section 4.8(c)(v), notification of the Shipper's intent is due on or before six (6) Months prior to the expiration date for Shipper's TSA.
 - (iii) A Shipper may relinquish all rights to the capacity underlying its firm TSA upon termination of the TSA by providing a notice stating that it will not exercise its ROFR rights. If Shipper fails to provide a notification of the Shipper's intent by the deadline described in GT&C Sections 4.8(c)(ii) and (c)(v), then Shipper shall be deemed to have waived its right to exercise its ROFR and will relinquish all rights to the capacity underlying its firm TSA upon termination of the TSA.
 - (iv) If the TSA contains an evergreen provision, the ROFR provisions of this section will not apply until one party provides notice of termination or the TSA has reached the end of the evergreen period.
- (d) Solicitation of Bids. If the Shipper provides notice of its intent to exercise ROFR rights, then Transporter shall solicit and receive any competing bids for the subject capacity no later than ninety (90) Days prior to expiration of the TSA. Transporter shall post on its EBB for thirty (30) Days the terms and conditions

of the expiring TSA. Any Party qualified under the capacity release rules of this Tariff may submit a bid for all, or any portion of, the subject capacity during the bid period. Transporter reserves the right to reject any bid received that does not comport to the terms and conditions of the expiring TSA.

- (e) Existing Shipper's Right to Match. Within ten (10) Business Days after the close of the bid period, Transporter shall notify the existing Shipper of the results of the bidding process, including the best offer or offers received for the expiring capacity. Transporter's evaluation shall be based on one of the capacity release bid evaluation methods listed in GT&C Section 9.11(d). Transporter shall identify the method to be used in its solicitation of bids. The term of any competing offer shall not be capped for comparison purposes. Within thirty (30) Days after such notification by Transporter, the existing Shipper must notify Transporter of its intent to match the best offer(s) for all or a volumetric portion of the expiring capacity. Except as necessary for GT&C Section 4.10, Shipper is not required to notify Transporter of the amount of capacity it will retain through the process set forth in GT&C Section 4.8 until after Shipper receives notification from Transporter of the best offer(s) for the expiring capacity. A Shipper may retain a portion of its capacity by matching the longest term and highest rate only for that portion. If the existing Shipper does not agree to match the best offer(s) for all or a volumetric portion of the expiring capacity, then the existing Shipper relinquishes all rights to such capacity. Transporter may enter into a TSA with the bidder(s) submitting the highest offer(s). However, Transporter shall not be required to enter into a TSA that is at less than Transporter's applicable maximum tariff rate.
- (f) In the event there are no competing offers, Transporter and Shipper shall have thirty (30) Days following the date of Transporter's notification to Shipper pursuant to GT&C Section 4.8(e) to reach a binding written commitment regarding the rate and term of continued service to Shipper. In that binding written commitment, Shipper shall be entitled to continue to receive service at the maximum rate and at a term selected by Shipper, or Transporter and Shipper may agree upon a negotiated rate or a rate between the maximum and minimum allowable rates, as well as other mutually agreeable terms and conditions for continued service. If Transporter and Shipper reach a binding written commitment for continued service, Shipper must execute a new service agreement prior to the expiration of the term of the existing TSA (or within thirty (30) Days following the date that Transporter tenders the new TSA to Shipper if the new TSA is tendered by Transporter on or after the expiration date of the existing agreement).
- (g) Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to GT&C Section 4.3(f), shall not be eligible for a ROFR.
- (h) Contractual ROFR in Firm TSAs. Transporter and Shipper may agree to include a ROFR clause in a firm TSA, including negotiated rate and discount rate firm agreements. A contractual ROFR clause shall provide the Shipper

the right defined in GT&C Section 4.8 even where a regulatory ROFR right would not otherwise apply. In such a case, the TSA shall be considered to include a contractual ROFR that incorporates the rights set forth in this Section.

4. REQUESTS FOR SERVICES

- 4.9 Extension Rights. Transporter and Shipper may mutually agree to an evergreen, renewal, or rollover provision in the TSA that would allow the TSA to continue beyond its primary term. If the TSA contains such a provision, the ROFR provisions of this section will not apply until the evergreen, renewal, or rollover right set forth in the TSA terminates or is waived.

4. REQUESTS FOR SERVICES

4.10 Contract Extension.

- (a) Transporter and Shipper may mutually agree to the early termination of one or more TSAs in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's EBB as unsubscribed available capacity prior to the extension.
- (b) Prior to the expiration of the term of a TSA, Transporter and Shipper may mutually agree to renegotiate the terms of the TSA with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). If a TSA is subject to ROFR, the agreement to extend must be reached prior to the receipt of an acceptable bid submitted pursuant to GT&C Section 4.8.
- (c) When an agreement is subject to ROFR, or contains an evergreen, renewal, or rollover clause, extension rights described in this Section 4.10 apply to each increment of capacity that expires in increments (i.e., on a step-down basis) during the term of the agreement.

4. REQUESTS FOR SERVICES

4.11 Creditworthiness.

- (a) Creditworthiness Requirement. A Shipper wishing to obtain service must first satisfy the creditworthiness requirements of this Tariff.
- (b) Criteria for Creditworthiness Determination
 - (i) Acceptance of a Shipper's request for service and the continuation of service are contingent upon the Shipper satisfying, both initially at the time of any service request and on an on-going basis, a credit appraisal by Transporter. Transporter may require a higher level of credit demonstration (which would be described in the TSA) for requests for service that require the construction of initial or expansion facilities.
 - (ii) Transporter shall apply consistent evaluation practices to all similarly situated Shippers to determine the Shipper's financial ability to satisfy the payment obligations due to Transporter over the term of the requested service agreement.
 - (iii) A Shipper will be deemed creditworthy if (i) its senior unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or Baa3 by Moody's Investor Service ("Moody's") or Shipper's long term issuer rating is at least A- by S&P or A3 by Moody's (in the event of multiple agency ratings, the lowest is used), (ii) Shipper's short term and long term outlook opinion is Stable or Positive from S&P or Moody's, and (iii) the sum of 12 Months of anticipated charges under a firm or interruptible TSA is less than 10% of Shipper's tangible net worth. In the event Shipper is rated by multiple agencies, the lowest rating shall be used. If the Shipper has multiple TSAs with Transporter, then the total of all such TSAs shall be considered in determining creditworthiness.
 - (iv) If Shipper is not rated by S&P or Moody's but has a parent that can satisfy the requirements of GT&C Section 4.11(b)(iii), then a Shipper may use its parent's credit rating and financial strength if a guarantee acceptable to Transporter is provided.
- (c) Financial Statements.
 - (i) If requested by Transporter, Shipper shall deliver (i) within (1) one hundred twenty (120) Days following the end of each fiscal year, a copy of Shipper's (or Parent Guarantor's, as applicable) audited financial statements for such fiscal year and (ii) within sixty (60) Days after the end of each of its first three (3) fiscal quarters of each fiscal year, a copy of Shipper's (or the Parent Guarantor's, as applicable) quarterly unaudited financial statements for such fiscal quarter. In all cases the

statements shall be for the most recent accounting period and shall be prepared in accordance with GAAP; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be a violation of this Tariff so long as Shipper diligently pursues the preparation, certification and delivery of the statements.

- (ii) Notwithstanding the foregoing, the statements required to be provided with respect to any Parent Guarantor that reports to the Securities and Exchange Commission shall be deemed to be delivered on the date that Parent Guarantor has filed such statements with the Securities and Exchange Commission and such statements are posted at www.sec.gov.
- (d) If Shipper is unable to satisfy the requirements of GT&C Section 4.11(b)(iii), or in the event that Shipper at any time during the term of the TSA fails to satisfy the requirements of GT&C Section 4.11(b)(iii), Transporter will perform a creditworthiness review. As a part of this review, Transporter may require, either with the request for service or at any future time as Transporter deems necessary to conduct on-going credit evaluations of Shipper, that the Shipper provide Transporter with additional information to allow Transporter to determine the Shipper's creditworthiness. If the service under review involves service under an existing TSA, Shipper must provide the additional information within five (5) Business Days of the request for such information. If the service under review involves service under a new TSA, the information must be provided before Shipper's request may be deemed a valid request for service.

In addition to the information described in GT&C Section 4.11(c), Transporter may request Shipper provide any or all of the following information:

- (i) a bank reference and at least two (2) trade references, the results of which references and any credit reports submitted herein must show that Shipper's obligations are being paid on a reasonably prompt basis; and
 - (ii) a written confirmation by Shipper that it 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. Transporter may make an exception for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is adequately assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
- (e) If Shipper is unable to satisfy the requirements of GT&C Section 4.11(b)(iii) or Shipper is not determined to be creditworthy following Transporter's receipt of

any items required under GT&C Section 4.11(c) or (d), Shipper must provide and maintain adequate credit assurance satisfactory to Transporter in order to be granted a request for new service or to continue service under an existing TSA. If the service under review involves service under an existing TSA with a Shipper that has failed to demonstrate creditworthiness, the Shipper must bring its account with Transporter current by paying all past due invoice amounts owed to Transporter and provide, within five (5) Business Days, payment in advance of one (1) Month's anticipated charges in order to continue service for the current Month and within thirty (30) Days, the Shipper must provide the next three (3) Months of credit assurance to continue service. Adequate assurance shall include at least one of the following at Shipper's election:

- (i) an irrevocable letter of credit to Transporter, satisfactory to Transporter;
- (ii) a grant to Transporter of a security interest in collateral found to be satisfactory to Transporter;
- (iii) a guarantee acceptable to Transporter, by another person or entity which satisfies credit appraisal; or
- (iv) such other credit arrangement or instrument that is mutually agreed to by Transporter and Shipper and which is acceptable to Transporter on a not unduly discriminatory basis.

Upon Shipper's establishment of an acceptable credit record pursuant to GT&C Sections 4.11(c)(iii) or 4.11(e) or upon expiration of the TSA, Transporter shall return any unused portion of Shipper's letter of credit, security interest, or guarantee as applicable.

- (v) Such letter of credit, security interest or guarantee shall be equal to three (3) Months of the highest estimated reservation and commodity charges payable under the terms of the TSA, including estimated charges for Gas imbalances payable under the terms of the TSA.
- (f) If Shipper is found to be non-creditworthy, Transporter will inform Shipper, in writing upon Shipper's request, of the reasons for the determination.
- (g) If Shipper is unable to demonstrate creditworthiness using any of the methods described above for a request for new service, Transporter may deny the Shipper's request.
- (h) If Shipper is unable to demonstrate creditworthiness using any of the methods described above for service under an existing TSA, Transporter may, without waiving any rights or remedies it may have, terminate service upon 30-Day written notice using the notice procedures of Section 12.7 of the GT&C.
- (i) Transporter may determine in its sole discretion that a Shipper that requests new service is not creditworthy to receive such service on the basis that

Shipper has outstanding payments due on invoices rendered by Transporter on current or past TSAs and Shipper has defaulted on such payments per the terms of Section 12 of the GT&C.

- (j) If a Shipper has multiple TSAs with Transporter and defaults on one TSA, Transporter may deem a default by Shipper on that one TSA as a loss of creditworthiness on any and all other TSAs the Shipper has with Transporter.

4. REQUESTS FOR SERVICES

4.12 Discounting

- (a) Transporter, upon mutual agreement with Shipper, may from time to time and at any time agree to adjust any or all of the rates applicable to any individual TSA on a non-discriminatory basis; provided, however, that unless such rate is a negotiated rate pursuant to GT&C Section 4.13, such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on Statement of Rates for the applicable Rate Schedule. Discounts granted pursuant to this Section 4.12(a) will not constitute a material deviation from Transporter's Form of Service Agreement.
- (b) Transporter and Shipper may agree that a specified discounted rate will apply under the following conditions:
 - (i) to specified quantities under the TSA, including authorized overrun quantities;
 - (ii) to specified quantities achieving or not exceeding a certain level (including parked or loaned quantities withdrawn or paid back on the specific dates mutually agreed to by Transporter and Shipper or pursuant to Section 6.2 of Rate Schedule PAL);
 - (iii) in a specified relationship to quantities actually transported;
 - (iv) to specified quantities during specified periods of time or during specified periods of the year;
 - (v) to specified quantities at specific receipt or delivery points or other geographical locations;
 - (vi) that provides for increasing (or decreasing) a discounted rate for service under one Rate Schedule to make up for a decrease (or increase) in the rate for a separate service provided under another Rate Schedule;
 - (vii) where the rate provisions incorporates a mutually agreeable marketing fee pursuant to GT&C Section 9.17; and/or
 - (viii) that a specified discounted rate is based on a formula including, but not limited to, 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 commodity charge or both) and any formula will provide a reservation rate per unit of contract demand. To the extent the firm reservation charge is discounted, the index price

differential rate formula shall be calculated to state a rate per MDQ. Furthermore, such 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 Transporter'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 revised tariff provisions. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

4. REQUESTS FOR SERVICES

4.13 Negotiated Rate Authority

- (a) Authority and Conditions. Notwithstanding anything to the contrary contained in this Tariff, including the Rate Schedules contained herein, Transporter and Shipper may agree to a rate or rates to be charged for service pursuant to any Rate Schedule contained in this Tariff (including overrun rates and rates derived from a formula) that may vary in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff ("Negotiated Rate").
 - (i) Transporter's maximum applicable rates (plus all applicable charges and surcharges) for service under any such Rate Schedule are available as recourse rates for any Shipper that elects not to negotiate a Negotiated Rate.
 - (ii) Negotiated Rates shall be mutually agreed to and set forth in writing.
 - (iii) Transporter and Shipper may agree to a Negotiated Rate for the entire term of a TSA, or may agree to a Negotiated Rate for some portion of the term of a TSA. Transporter and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's TSA.
 - (iv) During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to Transporter's service under the TSA and the otherwise applicable rate, rate component, charge or credit shall not apply or be available to the Shipper. Only those rates, components, charges, surcharges or credits which are superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established, or imposed by this Tariff shall remain in effect. At the end of the period during which Negotiated Rates are in effect, the otherwise applicable Tariff rates or charges shall govern any service provided to Shipper.
 - (v) Prior to or on the same day as the commencement of service at such Negotiated Rate, Transporter shall file: (A) the Negotiated Rate TSA; or (B) a tariff provision advising the Commission of such Negotiated Rate TSA, stating the exact legal name of Shipper and specifying: (i) the type of service; (ii) the applicable receipt and delivery points; (iii) the quantity of gas to be transported; and (iv) the actual Negotiated Rate or rate formula included in such agreement.
- (b) Impact on Other Provisions. A Shipper paying for service under a Negotiated Rate that is higher than the maximum rate for such service stated on the Statement of Rates is deemed to have paid the maximum rate for purposes of scheduling and capacity allocation pursuant to GT&C Section 6, for purposes

of evaluating right-of-first-refusal bids pursuant to GT&C Section 4.8, and for purposes of selling capacity pursuant to GT&C Section 4.

- (c) Accounting for Costs and Revenues. Transporter will maintain accounting records so that revenues can be tracked to each Negotiated Rate transaction.
- (d) A discount-type adjustment to recourse rates for negotiated rate agreements shall only be allowed to the extent that Transporter can meet the standards required of an affiliate discount-type adjustment including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition.

Transporter shall be required to demonstrate that any discount-type adjustment for negotiated rate agreements does not have an adverse impact on recourse rate shippers by:

- (i) Demonstrating that, in the absence of Transporter's entering into such negotiated rate agreement providing for such discount, Transporter would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or
- (ii) Making another comparable showing that the negotiated rate discount contributes more fixed cost recovery to the system than could have been achieved without the discount.

4. REQUESTS FOR SERVICES

- 4.14 Statutory Regulation. The respective obligations of Transporter and Shipper under the TSA are subject to the laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

4. REQUESTS FOR SERVICES

4.15 Assignments

- (a) Assignable Parties. A Shipper may assign any firm TSA to any person, firm, or corporation acquiring all, or substantially all, of the business of said Party, subject to the credit provisions of GT&C Section 4.11 and so long as Transporter is financially indifferent, to:
 - (i) any person, firm, or corporation acquiring all, or substantially all, of the business of said Party; and
 - (ii) any trustee or trustees, individual or corporate, as security for bonds, loans, or other obligations or securities.
- (b) Upon assignment under GT&C Section 4.15(a), which shall not be effective until after appropriate notification to Transporter and Transporter's written acceptance of that notice, the assignee shall be entitled to the rights, including the related rights to pipeline capacity under the applicable Rate Schedule, and subject to the obligations of Shipper's TSA.
- (c) If a Shipper wishes to assign all or any portion of its firm capacity under a TSA to a party not described above, it must do so using the capacity release provisions of this Tariff. Interruptible TSAs are not assignable and are not eligible for capacity release.

4. REQUESTS FOR SERVICES

4.16 Agents and Asset Management Arrangements

- (a) **Agents.** Shipper must provide written notice to Transporter of the name, and any other pertinent information of another person ("Agent") that has agency authority to act for Shipper pursuant to a TSA under Rate Schedule FT or Rate Schedule IT, in connection with: (1) the operation of pipelines, facilities and wells in connection with a TSA, (2) imbalance management and Critical Notices as described in the GT&C, and/or (3) other matters covered by a TSA. If the Agent has authority under (1) and (2) above, operating notices shall be served on the Agent alone. When using an Agent, the Shipper remains bound by its obligations under a TSA. Further, commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.
- (b) **Asset Management Arrangements.** Shipper must provide written notice to Transporter of the name, and any other pertinent information of an Asset Manager that has authority to act for Shipper pursuant to a TSA under Rate Schedule FT or Rate Schedule IT, in connection with: (1) the operation of pipelines, facilities and wells in connection with a TSA, (2) imbalance management and Critical Notices as described in the GT&C, and/or (3) other matters covered by a TSA. If the asset manager has authority under (1) and (2) above, operating notices shall be served on the Asset Manager alone. When using an Asset Manager, the Shipper remains bound by its obligations under a TSA. Further, commitments made by the Asset Manager on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of any asset management arrangement.

4. REQUESTS FOR SERVICES

- 4.17 Termination Obligations. Termination of a Rate Schedule FT TSA, Rate Schedule IT TSA, or Rate Schedule PAL Service Request Order shall not relieve Shipper of the obligation to pay any money due to Transporter (including, but not limited to, any obligations resulting from breach of contract) or to correct any volume imbalances. All warranties and indemnities shall survive the termination of the TSA or PAL RO.

5. SERVICE CONDITIONS

- 5.1 Transporter shall not be required to perform or continue service on behalf of any Shipper that fails to comply with any and all applicable terms of this Tariff and the terms of Shipper's TSA with Transporter.
- 5.2 Unless otherwise agreed to in writing, Transporter shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the transportation of Gas.
- 5.3 Transporter shall have the right to interrupt the transportation of Gas when necessary to test, alter, maintain, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, Transporter's System, or otherwise related to the operation thereof. Transporter shall endeavor to minimize the duration of such interruptions and, except in cases of emergency, shall give Shippers advance notice of its intention to so interrupt the transportation of Gas and of the expected magnitude of such interruptions.
- 5.4 Venting of Gas. To the extent Transporter is unable, in its sole operational judgment and discretion, to transport unauthorized daily overrun Gas without jeopardizing the safety and integrity of Transporter's operations, Transporter shall have the right to vent, without incurring any liability to Shipper, or any third party, such unauthorized daily overrun Gas as it is unable to transport. Transporter shall use its best efforts to avoid or minimize such venting.
- 5.5 Pressure
 - (a) Pressure at the receipt point(s). Shipper shall cause the Gas to be tendered at the receipt point(s) at a pressure sufficient to enter Transporter's System and in accordance with any specified receipt point quantity set forth in Shipper's TSA; provided, however, Shipper shall not, except with the agreement of Transporter, be permitted to tender the Gas at any receipt point at a pressure in excess of the maximum allowable operating pressure of Transporter's pipeline at such receipt point.
 - (b) Pressure at the delivery point(s). Transporter shall tender Gas at the delivery point(s) at pressures sufficient to effect delivery into the receiving facilities against the pressures prevailing from time to time and in accordance with any specified delivery point quantity set forth in Shipper's TSA. Transporter, however, shall not be required to deliver Gas at a pressure greater than the maximum allowable operating pressure at such delivery point.
 - (c) If mutually agreed upon in the TSA, Transporter may commit to maximum and minimum receipt and delivery pressure levels to Shippers on a not unduly discriminatory basis, and where necessary, upon specified conditions, to ensure that such commitments do not have any adverse effects on Transporter's System. Such conditions may include volume limitations or other

operational requirements to ensure the quality of service. Transporter will post on its EBB agreed-upon maximum and minimum receipt and delivery pressure commitments and any applicable operating conditions. Transporter will not agree to a maximum or minimum receipt or delivery pressure that will render it unable to meet its existing firm obligations and, upon request, will provide a written explanation to the Shipper explaining the operational basis for rejecting any request for a maximum or minimum pressure.

6. NOMINATIONS AND SCHEDULING PROCEDURES

6.1 Nomination Cycles (All times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard 0.3.17.)

Transporter will support the NAESB WGQ Standard 1.3.2 nomination cycles.

- (a) The Timely Nomination Cycle: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by the Transporter (including from Title Transfer Tracking Service Providers ("TTTSPs")); 1:30 p.m. for Transporter to send Quick Response; 4:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Shipper and point operator (Central Clock Time on the Day prior to flow (NAESB WGQ Standard 1.3.2(i)). Shown below in tabular format is a representation of this standard.

- | | | |
|-------|--|----------------------|
| (i) | Timely Nomination Deadline. Nominations for the next Gas Day leave control of nominating Party | 1:00 p.m. |
| (ii) | Receipt of Nomination(s) by Transporter | 1:15 p.m. |
| (iii) | Transporter issues Quick Response | 1:30 p.m. (EDI Only) |
| (iv) | Completion of Upstream and Downstream Interconnect Confirmations | 4:30 p.m. |
| (v) | Transporter issues/posts Report(s) of Scheduled Quantities | 5:00 p.m. |
| (vi) | Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day. | |

- (b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the Transporter (including from TTTSPs); 6:30 p.m. for Transporter to send Quick Response; 8:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to Bumped parties (notice to Bumped parties), (Central Clock Time on the Day prior to the flow). Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the Transporter to receive notice that it is being Bumped should be effective at 9:00 a.m. on Gas Day; and when an Evening Nomination causes another Service Requester on the Transporter to receive notice that it is being Bumped, the scheduled quantities should be effective at 9:00 a.m. on Gas Day (NAESB WGQ Standard 1.3.2(ii)).

- (c) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by the Transporter (including from TTTSPs); 10:30 a.m. for Transporter to send Quick Response; 12:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 1:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to Bumped parties (notice to Bumped parties), (Central Clock Time on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on Gas Day (NAESB WGQ Standard 1.3.2(iii)).
- (d) The Intraday 2 Nomination Cycle: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by the Transporter (including from TTTSPs); 3:00 p.m. for Transporter to send Quick Response; 5:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 5:30 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators (Central Clock Time on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on Gas Day.
- (e) The Intraday 3 Nomination Cycle: 7:00 pm for nominations leaving control of the nominating party; 7:15 pm for receipt of nominations by the transporter including from TTTSPs; 7:30 pm to send Quick Response; 9:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on Gas Day). Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 pm on Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle (NAESB WGQ Standard 1.3.2(iv)).
- (f) For purposes of 1.3.2 (ii), (iii), (iv), and (v), "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 (NAESB WGQ Standard 1.3.2(vi)).
- (g) Shown below in tabular format is a representation of NAESB WGQ Standards 1.3.2 (ii), (iii), (iv) and (v). All times are Central Clock Time.

	Evening Cycle (for flow on next Gas Day) (Interruptible Nominations are subject to Bumping)	Intraday 1 Cycle (for flow on current Gas Day) (Interruptible Nominations are subject to Bumping)	Intraday 2 Cycle (for flow on current Gas Day) (Interruptible Nominations are subject to Bumping)	Intraday 3 Cycle (for flow on current Gas Day)
(i) Gas Day affected by Intraday Nomination begins	-----	9:00 a.m.	9:00 a.m.	9:00 a.m.
(ii) Intraday Nomination Period Ends (Nominations leave control of Nominating Party)	6:00 p.m.	10:00 a.m.	2:30 p.m.	7:00 p.m.
(iii) Nominations received by Transporter	6:15 p.m.	10:15 a.m.	2:45 p.m.	7:15 p.m.
(iv) Transporter Quick Response to Nominating Party (EDI Only)	6:30 p.m.	10:30 a.m.	3:00 p.m.	7:30 p.m.
(v) Completion of Upstream and Downstream Interconnect Confirmations	8:30 p.m.	12:30 p.m.	5:00 p.m.	9:30 p.m.
(vi) Issuance/Posting of Transporter's Report of Scheduled Quantities and Notices to Bumped Parties	9:00 p.m.	1:00 p.m.	5:30 p.m.	10:00 p.m.
(vii) Gas Day Affected by Intraday Nomination Begins	9:00 a.m.	-----	-----	-----
(viii) Nomination Effective Time (Grid-wide synchronization Times, NAESB WGQ Standard 1.3.41)	9:00 a.m.	2:00 p.m.	6:00 p.m.	10:00 p.m.

6. NOMINATIONS AND SCHEDULING PROCEDURES

- 6.2 Nomination Procedures. Nominating parties will submit nominations to Transporter in accordance with the procedures and conditions set forth in this section. Transporter reserves the right to accept nominations on a non-discriminatory basis after the deadlines specified in GT&C Section 6.1, provided that no Shipper will be disadvantaged by such action.
- (a) All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one (1) or more Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Days specified. The Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only (NAESB WGQ Standard 1.3.7).
 - (b) All nominations should include Shipper-defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Shippers should have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of Shipper's contract (NAESB WGQ Standard 1.3.5). For the date specified in the nomination, all nominations received by Transporter at or prior to a nomination deadline for that date shall be processed in the next available nomination cycle pursuant to this section.
 - (c) Intraday Nomination Requirements.
 - (i) For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles (NAESB WGQ Standard 1.3.32).
 - (ii) Intraday nominations are to be submitted in full-Day quantities.
 - (iii) Firm intraday nominations shall be scheduled ahead of previously scheduled interruptible nominations in the Evening, Intraday 1 and Intraday 2 Nomination Cycles. Application of this provision will result in such interruptible nominations being Bumped.
 - (iv) Transporter should provide affected Parties with notification of intraday Bumps and Critical Notices through the affected Party's choice of Electronic Notice Delivery Mechanism(s) (NAESB WGQ Standard 5.3.34). "Electronic Notice Delivery" is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM (NAESB WGQ Standard 5.2.2).

- (v) Intraday Bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced (NAESB WGQ Standard 1.3.51).
- (vi) Scheduling of intraday nominations shall be based on the elapsed pro rata scheduled quantities. 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 (NAESB WGQ Standard 1.2.12).
- (vii) 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 (NAESB WGQ Standard 1.3.11). Requests for decrease in flow for the remaining hours of the Gas Day shall only be accepted to the extent they do not represent a decrease below the elapsed pro-rata scheduled quantities for each nomination period affected. Intraday nominations do not rollover (i.e. intraday nominations span one Gas Day only). Intraday nominations may be used to nominate new supply or market (NAESB WGQ Standard 1.3.33).
- (viii) With respect to the confirmation process for intraday nominations, the following provisions apply:
 - (1) Requests for Increases. In the absence of agreement to the contrary, if there is no response to a request for confirmation or an unsolicited confirmation response from an Interconnecting Party, the previously scheduled quantity will remain the confirmed quantity.
 - (2) Requests for Decreases. In the absence of agreement to the contrary, if there is no response to a request for confirmation or an unsolicited confirmation response from an Interconnecting Party, the elapsed prorata scheduled quantity will be the confirmed quantity.
- (ix) Scheduling of Intraday Nominations. For purposes of determining the portion of any intraday nomination which is to be scheduled when available capacity is not sufficient to schedule all confirmed quantities, all intraday nominations shall first be accumulated with all prior confirmed daily and intraday nominations for that Gas Day and compared to Shipper's MDQ. For the intraday nomination being processed, if the cumulated nomination quantity is in excess of MDQ, that portion of the quantity in excess of MDQ and any subsequently processed intraday nomination under that TSA shall be considered as using overrun capacity.

- (d) **Nominated Imbalance Quantities.** Shippers may separately nominate makeup/payback quantities to resolve imbalances.
- (e) **Overrun Nominations.** Overrun quantities should be requested on a separate transaction (NAESB WGQ Standard 1.3.19); however, in the event that such excess quantities are included in other nominations, the excess portion of such nomination will be scheduled pursuant to GT&C Section 6.3.
- (f) **Responsibility for Nominated Quantities.** When submitting nominations, the nominating party/Shipper is responsible for assuring that nominations are made in good faith and that sufficient Gas supplies are available at the nominated receipt point(s). Pursuant to the procedures specified above, Transporter will verify nomination information with the Interconnecting Party and will determine the confirmed quantity. Transporter is not responsible for assuring that the confirmed quantities are actually tendered to Transporter at the receipt point(s).
- (g) **Accuracy of Nominated Quantities.** The nominating party/Shipper is responsible for the accuracy of nomination data. If Transporter determines that the confirming party/Shipper is consistently nominating greater quantities than the capacity of the meter or the party's ability to take such quantities, Transporter will reduce such nominations to the level of the most recent takes at that location.
- (h) **Transporter's Obligation to Deliver.** For any Gas Day, Transporter shall not be obligated to deliver any greater quantity than it has confirmed and received. Further, Transporter is not obligated to increase or decrease quantities at any receipt or delivery point which have not been confirmed.

6. NOMINATIONS AND SCHEDULING PROCEDURES

6.3 Scheduling of Receipts and Deliveries.

- (a) Emergency Gas will be scheduled before any other service.
- (b) Each Day, Transporter shall schedule the quantities nominated by Shippers in the order described hereinafter. Transporter shall schedule the lesser of the nominated quantity or the confirmed quantity. For scheduling priority purposes only, negotiated rates or Capacity Release Transactions resulting in a rate(s) that exceeds the related maximum rates will be deemed equivalent to maximum rates. Transporter shall use the rate being paid by Replacement Shipper to determine the scheduling priority for Flow Path Secondary Capacity and Secondary Capacity transactions for such Shipper.
 - (i) The first quantities scheduled shall be those quantities nominated and confirmed under Rate Schedule FT for transportation service utilizing Primary Capacity. If Transporter has insufficient capacity to schedule all nominated quantities as Primary Capacity, Transporter shall schedule pro rata based on contract entitlement at the point or the location on the path at which the capacity limitation occurs.
 - (ii) The next quantities scheduled shall be those nominated and confirmed under Rate Schedule FT for transportation service involving Flow Path Secondary Capacity. Quantities using Flow Path Secondary Capacity will be scheduled based on the rate being paid, with the highest rate being scheduled first. Shippers paying the same rate shall be scheduled pro rata based on contract entitlement.
 - (iii) The next quantities scheduled shall be those quantities nominated and confirmed under Rate Schedule FT for transportation service using Secondary Capacity. Secondary Capacity quantities will be scheduled based on the rate being paid, with the highest rate being scheduled first. Shippers paying the same rate shall be scheduled pro rata based on contract entitlement.
 - (iv) The next quantities scheduled shall be those quantities required by Transporter pursuant to GT&C Section 27 or gas quantities resulting from Operator make up/payback quantities under Operational Balancing Agreements, as defined in GT&C Section 10.6.
 - (v) The next quantities scheduled shall be those quantities nominated and confirmed under the following services: authorized overrun quantities under Rate Schedule FT and quantities under Rate Schedule IT. Under these services, a Shipper paying a higher rate than another Shipper shall be scheduled first. A Shipper may increase its rate paid up to Transporter's maximum applicable rate to obtain a higher scheduling priority for quantities nominated pursuant to the applicable rate

schedule above. Shippers paying the same rate shall be scheduled pro rata based on nominated and confirmed quantities.

- (vi) The next quantities scheduled shall be imbalance and makeup/payback quantities under Rate Schedules FT, IT and quantities nominated and confirmed under Rate Schedule PAL. Quantities not associated with concurrent receipts or deliveries will only be scheduled when supported by Transporter's ability to deliver extra gas from the pipeline system without a concurrent supply or to receive extra gas into the pipeline system without a concurrent delivery.
 - A. Notwithstanding Section 6.3(b)(vi)(B) below, nominations for unpark and redelivery quantities under Rate Schedule PAL shall be scheduled first before nominations for park and/or loan quantities under Rate Schedules PAL.
 - B. For quantities scheduled within this Section 6.3(b)(vi)(B), quantities will be scheduled based on the priority of the TSA under which the quantity is being nominated. Quantities nominated under firm TSAs shall be scheduled first in accordance with Section 6.3, as appropriate. Quantities nominated under interruptible TSAs shall be scheduled next with quantities associated with higher commodity rates scheduled before those associated with lower commodity rates. Interruptible and Park and Loan nominations carrying the same commodity rate shall be scheduled pro rata based on the quantities nominated.

6. NOMINATIONS AND SCHEDULING PROCEDURES

- 6.4 Confirmation Procedures. Confirmations issued during each scheduling cycle shall be treated as scheduled quantities at the point of interconnection. If a confirmation from an Interconnecting Party is received after final quantities are scheduled, the resulting imbalance will be carried on the Shipper's TSA unless the Interconnecting Party agrees to accept the scheduled quantities on its operational balancing agreement during the Intraday 3 Nomination Cycle.

6. NOMINATIONS AND SCHEDULING PROCEDURES

- 6.5 Allocation of Capacity. Emergency Gas will be allocated capacity before any transportation service. Where transportation service is interrupted due to capacity limitations, service shall be interrupted pursuant to the following order until the level of scheduled service equals available capacity. Transporter shall provide as much notice as is practicable prior to implementing any interruption of services.
- (a) First, all imbalance and makeup/payback quantities under Rate Schedules FT, IT, and quantities nominated and confirmed under Rate Schedule PAL. Such quantities shall be interrupted based on the priority of the TSA under which the quantity is being nominated. Quantities nominated under interruptible TSAs shall be interrupted first with quantities associated with lower commodity rates interrupted before those associated with higher commodity rates. Interruptible and Rate Schedule PAL nominations carrying the same commodity rate shall be allocated pro rata based on the quantities scheduled. Quantities nominated under firm TSAs shall be interrupted next on a pro rata basis based on quantities scheduled.
 - (b) The next quantities to be interrupted shall be those quantities nominated under the following services: authorized overrun quantities under Rate Scheduled FT and interruptible service under Rate Schedule IT. The allocation of capacity will be based on the rate being paid. A service at a lower rate than another service shall be interrupted first. Shippers that are paying the same rate shall be allocated pro rata based on nominated and confirmed quantities.
 - (c) The next quantities to be interrupted shall be those quantities required by Transporter pursuant to GT&C Section 27 or gas quantities resulting from Operator make up/payback quantities under Operational Balancing Agreements, as defined in GT&C Section 10.6.
 - (d) The next quantities to be interrupted shall be those firm service quantities scheduled under Rate Schedule FT. Reductions during the Evening Nomination Cycle will be interrupted using the scheduling priorities in GT&C Section 6.3 for firm transportation services. Reductions occurring after the Evening Nomination Cycle will be interrupted pro rata based on contract entitlements at the point at which the capacity limitation occurs.

6. NOMINATIONS AND SCHEDULING PROCEDURES

- 6.6 Protection of Life and Property. Transporter and Shipper shall collaborate in making adjustments to receipt quantities or delivery quantities, if possible, which may be necessary to avoid or forestall injury to life and property.

6. NOMINATIONS AND SCHEDULING PROCEDURES

- 6.7 Transporter's Non-Liability. Transporter shall not be liable for any damages which may directly or indirectly result from Transporter's implementation of the allocation procedures set forth in this Section 6 so long as Transporter complies with such provisions, except to the extent that Transporter was otherwise negligent.

7. RESPONSIBILITY FOR GAS AND PRODUCTS

- 7.1 Transporter shall have no responsibility for Gas prior to its acceptance at the receipt point(s) and after delivery at the delivery point(s), and Shipper shall have sole responsibility for all arrangements necessary for delivery of Gas to Transporter at the receipt point(s) for transportation, and for all arrangements necessary for receipt of Gas for the account of Shipper at the delivery point(s), which arrangements otherwise meet the provisions set forth in these GT&C.
- 7.2 As between Transporter and Shipper, Transporter shall be deemed to be in control and possession of the Gas from the time it is received by Transporter at the receipt point(s) until it is redelivered to Shipper at the delivery point(s), and Shipper shall be deemed to be in control and possession of the Gas at all other times. By tendering Gas to Transporter, Shipper warrants that it has title to the Gas it has delivered.
- 7.3 Transporter may extract or permit the extraction of moisture, helium, natural gasoline, butane, propane, and/or other hydrocarbons, excluding methane, from gas delivered into its system.
- 7.4 If Transporter processes Shipper's gas, ownership of the extracted products, excluding methane, shall be vested in Transporter. Transporter shall provide Shipper with thermally equivalent quantities of gas, less applicable retainage.
- 7.5 Nothing in this Section shall be construed to preclude Shipper from processing gas or having gas processed prior to delivery of such gas to Transporter. Shippers electing to process their own gas to meet Transporter's quality standards and deliver such gas directly to Transporter's system downstream of the processing plants must first notify Transporter of their intentions and receive verification from Transporter that the processed gas stream satisfies Transporter's Tariff gas quality standards.
- 7.6 Nothing in this Section shall be construed as a waiver of Transporter's Tariff gas quality standards.

8. OPERATING PROVISIONS

8.1 FIRM SERVICE

- (a) Designation of Primary Receipt and Delivery Points. The receipt and delivery points listed in the TSA shall be the Shipper's Primary Points. The total receipt point capacity must equal the total delivery point capacity and must equal the MDQ specified in the TSA.

8. OPERATING PROVISIONS

8.2 INTERRUPTIBLE SERVICE

(a) Obtaining Interruptible Service

- (i) After receiving a valid request for interruptible service, Transporter will evaluate Shipper/Operator's request and respond to Shipper within five (5) Business Days. Once the request has been evaluated and approved, Transporter will prepare and tender to Shipper for execution an agreement in the form contained in this Tariff.
- (ii) If a Shipper has executed an interruptible TSA (Rate Schedule IT or Rate Schedule PAL) and fails to schedule service within two (2) years of the later of the execution of the agreement or the in-service date of any facilities necessary to provide service, the agreement shall be terminated and Shipper's request shall be deemed null and void.

9. CAPACITY RELEASE PROGRAM

- 9.1 Purpose. This section sets forth the specific terms and conditions applicable to Transporter's capacity release program. Unless otherwise stated in this Section 9, all times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard 0.3.17.

9. CAPACITY RELEASE PROGRAM

- 9.2 Applicability. This section is applicable to any Releasing Shipper(s) or any Replacement Shipper(s) who elect to release all or a portion of its firm capacity under Rate Schedule FT. Releasing Shipper(s) shall have the right to release, on a permanent or temporary basis, any portion of its firm capacity rights held under a TSA with Transporter, but only to the extent that the capacity so released is acquired by another Shipper pursuant to this section.

9. CAPACITY RELEASE PROGRAM

9.3 Availability of Released Capacity.

- (a) Released capacity shall be made available on a non-discriminatory basis and shall be assigned on the basis of an open season or prearrangement in accordance with the procedures of this section and, where appropriate, the applicable NAESB WGQ Standards.
- (b) Availability of Advertisements for the Purchase of Capacity. Any person may advertise for the purchase of capacity on Transporter's System on its EBB by submitting the desired advertisement (up to one page) to Transporter. Transporter shall post such advertisement on the Informational Postings portion of its EBB no later than the Business Day following receipt thereof if so requested, so long as the advertisement is not unlawful or inconsistent with Transporter's Tariff. The posted period requested may be for a period of time not to exceed one (1) Month. There will be no posting fee for such advertisements seeking to purchase capacity on Transporter's System. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release. To release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in GT&C Section 9.

9. CAPACITY RELEASE PROGRAM

- 9.4 Qualification for the Capacity Release Program. Any party, whether seeking to acquire capacity under bid or a prearranged release, must be pre-qualified by Transporter prior to submitting a bid for released capacity or prior to becoming a party to a prearranged release. To be pre-qualified, a Shipper must satisfy the creditworthiness requirements of GT&C Section 4.11. Notwithstanding such qualification to participate in the capacity release program, Transporter does not guarantee the payment of any outstanding amounts by a Replacement Shipper.

9. CAPACITY RELEASE PROGRAM

9.5 Capacity Release Timeline

- (a) Releases Assigned On the Basis of An Open Season. A Shipper electing or required to release capacity on the basis of an open season must post notice of release on Transporter's EBB pursuant to GT&C Section 9.7. Such notice shall be posted upon receipt unless Releasing Shipper requests otherwise.
- (b) Releasing Shipper may determine the posting date and length of the open season; however, the minimum posting requirements and duration of open season where the release is subject to special terms and/or conditions, or the Other Method non-standard bid evaluation criteria (as detailed in GT&C Section 9.11(d)(iv)) shall comply with the following schedule:

Posting Requirements for Releases subject to special terms and/or conditions, or the Other Method non-standard Bid Evaluation Criteria:

Length of Release -----	Minimum Duration Open Season (Note 1) -----	Open Season Commences (Note 2) -----	Period to Match Offer (If Prearranged) -----
1 Month or less	1 Business Day before nominations are due	2 Business Days	N/A
More than 1 Month but less than 3 Months	1 Business Day before nominations are due	3 Business Days	1 Business Day
3 Months or more but less than 1 year	4 Business Days before nominations are due	10 Business Days	2 Business Days
1 year or more	12 Business Days before nominations are due	24 Business Days	4 Business Days

- NOTES:
- (1) Posting of notices of release (either under an open season or a prearranged release) is subject to review by Transporter for accuracy, completeness, and validity before being posted.
 - (2) If a Releasing Shipper agrees to accept a contingent bid pursuant to GT&C Section 9.7(p), the beginning of the open season shall start earlier by one (1) Business Day.

- (c) The following capacity release timeline (NAESB WGQ Timeline) applies to all parties involved in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release bid is tendered,

2) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and 3) there are no special terms or conditions of the release. Furthermore, Transporter may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Transporter). Further, Transporter may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Transporter) (NAESB WGQ Standard 5.3.1). Such release must comply with the Bid Evaluation Methods described in GT&C Sections 9.11(d)(i) through (iii), hereof (Note 1):

NAESB WGQ Standard 5.3.2:

For biddable releases (1 year or less):

- (i) offers should be tendered in time to be posed 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 (evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken);
- (iii) evaluation period ends and award posting is made by 11:00 a.m. if no match required;
- (iv) where a match is required, match is communicated by 11:00 a.m.; match response by 11:30 a.m.; award posting by 12:00 (Noon);
- (v) contract issued within one (1) Hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

For biddable releases (more than 1 year):

- (vi) offers should be tendered in time to be posted by 9:00 a.m. on a Business Day;
- (vii) open season shall include no less than three (3) 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
- (viii) evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken;
- (ix) evaluation period ends and award posting is made by 11:00 a.m. if no match required;
- (x) where match is required, match is communicated by 11:00 a.m.; match response by 11:30 a.m.; award posting by 12:00 (Noon);

- (xi) contract issued within one (1) Hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- (xii) The posting of prearranged deals 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:
 - A. Timely Cycle 12:00 Noon
 - B. Evening Cycle 5:00 p.m.
 - C. Intraday 1 Cycle 9:00 a.m.
 - D. Intraday 2 Cycle 1:30 p.m.
 - E. Intraday 3 Cycle 6:00 p.m.
- (xiii) The contract is issued within one Hour of the award posting (with a new contract number, when applicable).
- (xiv) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

NOTE: (1) Posting of Notices of Release (either under an open season or a prearranged release) is subject to review by Transporter for accuracy, completeness, and validity before being posted.

9. CAPACITY RELEASE PROGRAM

- 9.6 Prearranged Releases. Shipper electing to release capacity on the basis of a prearranged release must post notice on Transporter's EBB pursuant to GT&C Section 9.8. No open season is required for a prearranged release that is (1) for more than one (1) year at a rate which is equal to the maximum reservation rate under the applicable Tariff Rate Schedule and which meets all the terms of the release; (2) for a term of thirty-one (31) Days or less and which meets all the terms of the release; (3) a release to an asset manager as defined in 18 C.F.R. Section 284.8(h)(3); or (4) a release to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h)(4). All other prearranged releases shall be subject to an open season requirement as described in GT&C Section 9.5 hereof. A Releasing Shipper may not rollover, extend or in any way continue the release to the same Replacement Shipper using the thirty-one (31) Days or less bidding exemption until at least twenty-eight (28) Days after the first release period has ended unless the Replacement Shipper is an asset manager as defined in 18 C.F.R. Section 284.8(h)(3) or a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. Section 284.8(h)(4). A Shipper electing to release capacity on a prearranged basis not subject to an open season must post the notice of release on Transporter's EBB pursuant to the timeline for non-biddable releases in GT&C Sections 9.5(c)(xii) - (xv).

9. CAPACITY RELEASE PROGRAM

- 9.7 Notice of Capacity Release – Open Season Basis. Any Shipper holding capacity rights subject to this Section 9 who desires to release such firm capacity on an Open Season Basis shall deliver notice via Transporter's EBB which shall contain the following:
- (a) Releasing Shipper's legal name, DUNS number, contract number, address, and the name of the individual responsible for authorizing the release of capacity;
 - (b) The maximum and minimum quantity of firm daily capacity which the Releasing Shipper desires to release, stated in Dth per Day;
 - (c) the receipt and delivery point(s) and path at which the Releasing Shipper will release capacity and the firm capacity to be released at each such point and path;
 - (d) whether capacity will be released on a recallable or a recallable and reputtable (returned to the Replacement Shipper) basis (subject to minimum terms and conditions in GT&C Section 9.12). Recall and reput terms must be objectively stated, nondiscriminatory, and applicable to all bidders. Transporter should support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51).
 - (e) the requested effective date and the term of the release (minimum term of release is one (1) Day);
 - (f) whether the Releasing Shipper is willing to consider release for a shorter time period than that specified in (e) above, and, if so, the minimum acceptable period of release;
 - (g) whether the Releasing Shipper desires bids for the released capacity to be stated in a dollar amount per Dth or as a percentage of Transporter's maximum reservation rate as in effect from time to time, or as an index-based formula (under one of the methods listed below); in conformance with NAESB WGQ Standard 5.3.26, Releasing Shipper has choice to specify dollars and cents or percents of maximum Tariff rate in the denomination of bids and Transporter shall support this choice. Once the choice is made by the Releasing Shipper, the bids should comport with the choice;
 - (i) a percentage of the formula,
 - (ii) a dollars and cents differential from the formula, or
 - (iii) a dollars and cents differential from the Rates Floor;
 - (h) whether the Releasing Shipper desires to release capacity on a volumetric reservation rate basis or an index-based formula. If utilizing an index-based formula, the Releasing Shipper should specify the minimum acceptable rate

and, if applicable, any minimum volumetric load factor commitment. (Capacity releases made on a volumetric rate basis cannot be re-released by the Replacement Shipper);

- (i) the applicable maximum reservation rate for capacity being released as shown on Transporter's Statement of Rates or as an index-based formula;
- (j) if Releasing Shipper is willing to consider releasing capacity at less than maximum reservation rate stated in Section 9.7(i) above, and if so, the minimum reservation rate Releasing Shipper is willing to accept;
- (k) Reserved.
- (l) whether the Releasing Shipper wants Transporter to market the capacity in accordance with GT&C Section 9.17 hereof;
- (m) for releases posted to comply with the NAESB WGQ Timeline as shown in GT&C Section 9.5(c) hereof, the Releasing Shipper shall select one of the following bid evaluation methods which are described more fully in GT&C Section 9.11(d):
 - (i) Present Value
 - (ii) Highest Rate
 - (iii) Net Revenue
 - (iv) Other Method
- (n) In lieu of the methods described in Section 9.7(m)(i-iii) above, the Releasing Shipper may provide its own nondiscriminatory bid evaluation criteria as stated in GT&C Section 9.7(m)(iv); except that Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation method. Transporter is not obligated to comply with the NAESB WGQ Timeline shown in GT&C Section 9.5(c), if the method shown in GT&C Section 9.7(m)(iv) is chosen. In that case, Transporter shall apply the timeline for releases subject to special terms and/or conditions, contained in GT&C Section 9.5(b).
- (o) The time and date the notice is to be posted on Transporter's EBB. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of GT&C Section 9.5 or by the Releasing Shipper, if Releasing Shipper requests a longer open season or an earlier posting than is required in GT&C Section 9.5). After the open season has commenced, a Releasing Shipper cannot specify the extension of an open season bid period without posting a new release;
- (p) whether the Releasing Shipper is willing to accept contingent bids;
- (q) Releasing Shipper shall elect one of the following:

- (i) establish minimum terms of the release and display them on the EBB;
or
 - (ii) establish minimum terms of the release and keep such terms confidential (i.e., not post them on the EBB) but Bidding Shippers will be informed on the EBB that minimums have been established;
 - (iii) establish no minimum terms; Releasing Shipper will accept highest bid received for the release.
- (r) any other applicable conditions of the release.

9. CAPACITY RELEASE PROGRAM

9.8 Notice of Capacity Release - Prearranged Basis. The Releasing Shipper shall deliver a notice of a prearranged release via Transporter's EBB. Likewise, the Prearranged Shipper must confirm its bid electronically on the EBB. The EBB notice shall set forth the following information:

- (a) all the items contained in GT&C Section 9.7 required to define a prearranged release;
- (b) Prearranged Shipper's legal name, DUNS number, address, and the name of the individual responsible for authorizing the bid for the prearranged release;
- (c) the term of the proposed acquisition of capacity by Prearranged Shipper (minimum term of any release is one (1) Day);
- (d) the reservation rate, expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate, or as an index-based formula, as specified by Releasing Shipper, the Prearranged Shipper has agreed to pay for the released capacity and any minimum volumetric load factor, if applicable. In conformance with NAESB WGQ Standard 5.3.26, Releasing Shipper has the choice to specify dollars and cents or percents of maximum Tariff rate in the denomination of bids and Transporter shall support this. Once the choice is made by the Releasing Shipper, the bids should comport with the choice. If capacity is released on a volumetric rate basis, it cannot be re-released by the Replacement Shipper;
- (e) the maximum and minimum quantity of firm daily capacity which the Releasing Shipper desires to release, stated in Dth per Day;
- (f) whether or not the Prearranged Shipper is an affiliate of the Releasing Shipper and/or Transporter;
- (g) the time and date the notice is to be posted on Transporter's EBB. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of GT&C Section 9.5, if applicable, or by Releasing Shipper, if Releasing Shipper requests a longer open season than the minimum required in GT&C Section 9.5).

Releasing Shipper cannot allow extension of time provided for the Prearranged Shipper to match a higher bid (matching period as described in the timelines in GT&C Section 9.5) without posting a new release;

- (h) whether the Prearranged Shipper is an asset manager or marketer participating in a state-regulated retail access program for the purposes defined in 18 C.F.R. Sections 284.8(h)(3) and (h)(4), respectively; and
- (i) any other applicable conditions of the prearranged release.

9. CAPACITY RELEASE PROGRAM

- 9.9 Term of Released Capacity. The term of any release of firm capacity shall not be less than one (1) Day and shall not exceed the term of the TSA or Replacement Capacity Agreement under which the release occurs.

9. CAPACITY RELEASE PROGRAM

- 9.10 Bids for Released Capacity - Open Season. A bid may be submitted to Transporter by a Bidding Shipper at any time during the open season via Transporter's EBB.
- (a) Each bid for released capacity must include the following:
 - (i) Bidding Shipper's legal name, DUNS number, address, and the name of the individual responsible for authorizing the bid;
 - (ii) the term of the proposed acquisition;
 - (iii) the maximum reservation rate, expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate, as appropriate, or maximum volumetric rate (either dollars or percent, as specified by Releasing Shipper), or the maximum dollars and cents differential or percentage of an index-based formula Bidding Shipper is willing to pay for the released capacity.;
 - (iv) the capacity desired at primary receipt and delivery points;
 - (v) whether or not the Bidding Shipper is an affiliate of the Releasing Shipper and/or Transporter;
 - (vi) any other information requested in the notice of release posted on Transporter's EBB;
 - (vii) whether or not the Bidding Shipper will meet all other terms of release (if there are any); and
 - (viii) the time and date the bid was submitted to Transporter for posting on Transporter's EBB.
 - (b) All valid and complete bid(s) received by Transporter during the open season as detailed in GT&C Section 9.5 shall be posted on Transporter's EBB. The identity of the Bidding Shipper(s) will not be posted, but all other terms of the bid(s) will be posted on Transporter's EBB.
 - (c) For a capacity release transaction for a term of more than one (1) year, a Bidding Shipper may not bid a reservation rate less than the minimum reservation rate nor more than the applicable maximum reservation rate nor may the capacity or the term of the release of such bid exceed the maximum quantity or term specified by the Releasing Shipper. No rate limitation applies to the release of capacity including an index-based release, for a period of one (1) year or less if the release is to take effect on or before one (1) year from the date on which the pipeline is notified of the release.

- (d) A Bidding Shipper may withdraw its bid any time prior to the expiration of the open season but may not resubmit a bid for the same release at an equal or lower rate. Bids may be withdrawn via the EBB.
- (e) A Bidding Shipper may only have one bid pending for any specific capacity release transaction at any one time.
- (f) All bids pending at the expiration of the open season shall be binding upon the Bidding Shipper(s). Further, the Bidding Shipper(s) agrees that its bid will constitute a binding agreement if the Bidding Shipper is awarded the released capacity pursuant to this Section 9.
- (g) Bids shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB WGQ Standard 5.3.13).

9. CAPACITY RELEASE PROGRAM

- 9.11 Awarding of Released Capacity. Released capacity shall be awarded in accordance with this section.
- (a) If a Bidding Shipper's bid satisfies all terms and conditions specified in the Releasing Shipper's notice, including the posted reservation rate, then the capacity shall be awarded to such Bidding Shipper, and the Releasing Shipper shall not be permitted to reject such bid. If such bid was submitted in an open season relating to a prearranged release, capacity shall be awarded as described in GT&C Section 9.11(h).
 - (b) Offers shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB WGQ Standard 5.3.14). Releasing Shipper(s) may withdraw their offer of release any time prior to the start of the open season, or during the open season in the event of an unexpected change in Releasing Shipper's need for the capacity being released; provided, however, that the Releasing Shipper may not withdraw its offer of release, if bids have been received that meet the minimum terms of the release. The Releasing Shipper may withdraw its offer to release capacity via the EBB. In summary, the Releasing Shipper has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made (NAESB WGQ Standard 5.3.16).
 - (c) If more than one bid is received that is equal to or exceeds all the minimum terms and conditions specified in the Releasing Shipper's notice, then the Replacement Shipper(s) shall be the Bidding Shipper(s) who offer(s) the highest bid, based on the bid evaluation methods as posted by the Releasing Shipper in its notice of release. Transporter shall evaluate and rank all bids submitted during the open season. If Bidding Shipper has made a bid based on a contingency and such contingency has not been removed by the date and time specified pursuant to the timelines as described in GT&C Section 9.5, such bid shall be deemed withdrawn. If bids from two (2) or more Bidding Shippers result in bids of equal value, then the capacity shall be awarded pursuant to GT&C Section 9.11(g).
 - (d) Bid Evaluation Methods. All bids received will be evaluated pursuant to one of the following methods:
 - (i) Present Value Calculation. Releasing Shipper may elect to have all bids evaluated and ranked pursuant to a Present Value Calculation, assuming a discount rate equal to the current FERC interest rate as defined in Section 154.501(d) of the Commission regulations.
 - (ii) Highest Rate. Releasing Shipper may elect to have bids evaluated on the basis of the highest reservation rate bid.

- (iii) Net Revenue. Releasing Shipper may elect to have bids evaluated on the basis of the total reservation rate-based revenues received over the term of the release.
 - (iv) Other Method. Releasing Shipper may at the time of posting of the notice of release specify how bids are to be evaluated to determine which offer is the best. The criteria must be objectively stated, applicable to all potential bidders, and nondiscriminatory. The criteria can contain provisions that allow for weighting of factors such as quantity, term, and rate; however, Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation methodology. If bid evaluation criteria are provided by the Releasing Shipper, Transporter is not obligated to comply with the NAESB WGQ Timeline as specified in GT&C Section 9.5(c), but will evaluate the bids promptly in conformance with the timeline specified in GT&C Section 9.5(b).
 - (v) For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. If the Releasing Shipper specifies an index-based formula in its capacity release offer, the Bid Rate (R) used in the bid evaluation options of this Section 9.11 will be based on: 1) the dollars and cents differential or percentage of the Rate Default, or 2) the dollars and cents differential of the Rate Floor, as applicable.
- (e) If bid evaluation criteria are provided by the Releasing Shipper, Transporter shall, for each bid received, calculate the total value of each bid received at the end of the open season based on the nondiscriminatory criteria provided by the Releasing Shipper. The results of this calculation shall determine each bid's total value. The bids will then be ranked by Transporter in order from the highest to the lowest total value.
 - (f) For bids evaluated using any of the first three methods (GT&C Sections 9.11(d)(i) through (iii)), Transporter shall notify the Releasing Shipper and successful bidder no later than 5:00 p.m. CCT on the Business Day before nominations are due (as specified in GT&C Section 9.5) and the capacity shall be awarded to the successful Bidding Shipper(s) which shall become the Replacement Shipper(s).
 - (g) If bids from two or more Bidding Shippers result in bids of the highest equal value, the first bid received of highest equal value will be awarded the capacity. When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded (NAESB WGQ Standard 5.3.4).
 - (h) With respect to a prearranged release, if no better offer (as determined above) is received during an open season or the prearranged offer is for the applicable

maximum reservation rate under the applicable Rate Schedule for a term of more than one (1) year and meets all the other terms of the release, then the Prearranged Shipper shall become the Replacement Shipper for the released capacity. If a better offer is received during the open season, the Prearranged Shipper shall have the time specified in GT&C Section 9.5 to match that offer. If the Prearranged Shipper fails to match the better offer, then the Bidding Shipper who presented the better offer, as determined above, shall become the Replacement Shipper.

- (i) A Releasing Shipper shall retain all of the capacity under the executed TSA or Replacement Capacity Agreement that is not acquired by a Replacement Shipper as the result of an open season or a prearranged release.
- (j) If no bids are received which meet or exceed all of the minimum conditions specified by the Releasing Shipper, no capacity shall be awarded.

9. CAPACITY RELEASE PROGRAM

9.12 Recalls and Reput of Capacity. If capacity is released subject to recall pursuant to GT&C Section 9.7(d), in addition to such other terms not inconsistent with this section as are agreed to by the Releasing Shipper and the Replacement Shipper, recall of such capacity shall be subject to the following terms and conditions:

(a) Transporter will support the following recall notification periods for all released capacity subject to recall rights: (NAESB WGQ Standard 5.3.44)

(1) Timely Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. on the Day that Timely Nominations are due;
- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the Day that Timely Nominations are due ;

(2) Early Evening Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. on the Day that Evening Nominations are due;
- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the Day that Evening Nominations are due ;

(3) Evening Recall Notification

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 p.m. on the Day that Evening Nominations are due;
- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the Day that Evening Nominations are due ;

(4) Intraday 1 Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. on the Day that Intraday 1 Nominations are due;

- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due; and
- (5) Intraday 2 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 12:00 p.m. on the Day that Intraday 2 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the Day that Intraday 2 Nominations are due
- (6) Intraday 3 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the Day that Intraday 3 Nominations are due;
 - (ii) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the Day that Intraday 3 Nominations are due.
- (b) For recall notification provided to the Transporter prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the Transporter should provide notification to all affected Replacement Shippers no later than one (1) Hour after receipt of such recall notification.

For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ Standard 5.3.45)
- (c) Releasing Shipper's recall and reput notices must be submitted using Transporter's on-line capacity release system.
- (d) The recall notice must detail receipt and delivery point(s) and quantities being recalled. The notification may also state the length of the recall period and will also state the conditions of any reput rights of the Releasing Shipper and reput obligations of the Replacement Shipper as may have been negotiated at the time of the release (see GT&C Section 9.7(d)). Unless otherwise agreed to by the Releasing Shipper and the Replacement Shipper, and Transporter is so advised, the Replacement Shipper will regain the capacity at the end of the recall period.

- (e) In the event of an intraday capacity recall, the Transporter should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity. Variations to the use of Elapsed Prorata Capacity may be necessary to reflect the nature of Transporter's tariff, services and/or operational characteristics. (NAESB WGQ Standard 5.3.56)
- (f) If the length of the recall period is not specified in (c) above, or unless otherwise agreed between Releasing Shipper, Replacement Shipper, and Transporter, the Releasing Shipper must notify Transporter and Replacement Shipper of its intent to reput the capacity back to the Replacement Shipper. The deadline for notifying the Transporter of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).
- (g) In the event of a reput after a recall period, the Releasing Shipper may not reput capacity at point(s) other than those originally released. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). Unless otherwise agreed to in the terms of the release and Transporter is advised of such condition, the Releasing Shipper may permanently retain capacity at certain Primary Points originally released.
- (h) Transporter shall not assess penalties during non-critical periods on transactions related to quantities recalled during an intraday scheduling cycle.

9. CAPACITY RELEASE PROGRAM

9.13 Execution of Agreements or Amendments

- (a) The successful Bidding Shipper (or successful Prearranged Shipper) for capacity shall become the Replacement Shipper and its bid for capacity or posting of prearranged release pursuant to GT&C Sections 9.8 and 9.10 shall be binding. The bid submitted by the Replacement Shipper as supplemented by the posting of the notice of capacity release on Transporter's EBB shall constitute the Replacement Capacity Agreement. The Replacement Shipper(s) will gain rights to nominate firm capacity consistent with the capacity acquired from the Releasing Shipper, and for the term as agreed to by the Releasing Shipper and subject to all other terms of the underlying Agreement and GT&C Sections 9.7 and 9.8. The Releasing Shipper(s) will relinquish its firm entitlement rights to nominate consistent with the same terms. Replacement Shipper(s) are not permitted to change Primary Receipt or Delivery Point(s) under the Releasing Shipper's Agreement unless the release is permanent and at maximum rates, unless otherwise agreed by Transporter. Replacement Shippers are, however, allowed to make nominations at Secondary Points subject to the same conditions as the underlying agreements, including paying the maximum applicable reservation rate under the applicable Rate Schedule unless a discount is agreed to by Transporter.
- (b) Transporter may, on a not unduly discriminatory basis, refuse to allow any permanent release if it has a reasonable basis to conclude that it will not be financially indifferent to the release or if Transporter is unable to obtain any necessary approval from lenders. Transporter shall provide written notification and the reasons for any denial of a request for permanent release to the affected Releasing Shipper.
- (c) Where capacity has been released for the entire remaining term of the Releasing Shipper's TSA, the Releasing Shipper and Transporter shall agree to amend the Releasing Shipper's TSA to reflect the release of capacity and, to the extent that Replacement Shipper has satisfied applicable credit requirements under GT&C Section 4.11, to release Releasing Shipper from any credit obligations under GT&C Section 4.11. Absent agreement by Transporter to such amendment, which may be conditioned on non-discriminatory terms and conditions designed to ensure that Transporter is economically indifferent to the release, the Releasing Shipper shall remain bound by and liable for payment of the reservation charge(s) and reservation surcharge(s) under the TSA.
- (d) Subject to the provisions of GT&C Section 9.13(e) regarding negotiated rate TSAs and GT&C Section 9.13(b) regarding lending approval and financial indifference, to the extent that capacity is released for the remaining term of the Releasing Shipper's TSA and the Replacement Shipper has met all creditworthiness requirements and has agreed to pay the maximum reservation charge(s) and reservation surcharge(s) for such capacity or agreed

to pay a rate less than the maximum reservation charge(s) and reservation surcharges(s) or agreed to pay a rate equal to that in the Releasing Shipper's TSA but Transporter is paid a lump sum payment resulting in Transporter being financially indifferent, Releasing Shipper's contract shall be amended so as to relieve such shipper of any further liability for payment of the reservation charge(s) and reservation surcharge(s) applicable to the capacity released under the TSA. In the event the Releasing Shipper's TSA is amended to reflect the release of capacity, Transporter shall enter into a TSA with the Replacement Shipper in the form prescribed for service in this tariff but containing the rates and terms and conditions established for the acquired capacity pursuant to this Section 9.

- (e) Negotiated rate Shippers may, subject to GT&C Section 9.13(b), permanently release their capacity at reservation rates above their contracted-for negotiated rate for such capacity under the following conditions:
 - (i) the capacity is released at the negotiated contract rate or a higher rate;
 - (ii) the capacity is released for the remaining term of the TSA;
 - (iii) the Replacement Shipper agrees to amend its TSA to pay a negotiated rate at the agreed upon level; and
 - (iv) the Replacement Shipper has met Transporter's creditworthiness requirements of GT&C Section 4.11.

If all of these conditions are satisfied, the Releasing Shipper's contract shall, subject to GT&C Section 9.13(b), be amended to relieve such shipper of any further liability for payment of the negotiated rate applicable to the capacity released under the TSA.

9. CAPACITY RELEASE PROGRAM

- 9.14 Notice of Completed Transactions. Within 48 Hours after the transaction commences, pursuant to GT&C Section 9.11, Transporter shall post a Notice of Completed Transaction on its EBB for a minimum period of five (5) Business Days. The notice shall include the following information regarding each transaction:
- (a) the name(s) of the Releasing Shipper and the Replacement Shipper (or Prearranged Shipper);
 - (b) term of release;
 - (c) reservation rate as bid;
 - (d) delivery point(s);
 - (e) receipt point(s);
 - (f) capacity (Dth);
 - (g) present value of winning bid(s), if such method for bid evaluation was utilized;
 - (h) whether the capacity is recallable and reputtable and, if so, recall and reput terms;
 - (i) whether or not the Replacement Shipper is an affiliate of the Releasing Shipper and/or Transporter;
 - (j) whether or not the Replacement Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8;
 - (k) Service may begin on the initial date of the term of the release if nominations are made timely to Transporter and are in accordance with this Tariff; and
 - (l) Releasing Shipper shall include the tariff reservation rate and all reservation surcharges as a total.

9. CAPACITY RELEASE PROGRAM

- 9.15 Effective Date of Release and Acquisition. The effective date of the release by a Releasing Shipper and acquisition by a Replacement Shipper shall be on the date so designated in the Replacement Capacity Agreement (posted term effective date).

9. CAPACITY RELEASE PROGRAM

9.16 Rates

- (a) The reservation rate and reservation surcharge(s) for any released firm capacity under Rate Schedule FT shall be the reservation rate and reservation surcharge(s) bid by the Replacement Shipper. In no event shall such reservation rate and reservation surcharge(s) be less than Transporter's minimum or more than Transporter's maximum reservation rate and reservation surcharge(s) under the applicable Rate Schedule as in effect from time to time if the capacity release transaction is for a term of more than one (1) year unless the Replacement Shipper has agreed to a negotiated rate. .
- (b) Replacement Shipper shall pay the applicable maximum commodity rate in addition to all other applicable charges and surcharge(s) for the service rendered unless otherwise agreed by Transporter. In the event that the Releasing Shipper has agreed to a negotiated rate pursuant to GT&C Section 4.13, the Replacement Shipper shall pay the commodity charge(s) applicable to the Releasing Shipper's contract.
- (c) For releases based on a volumetric reservation rate, the minimum and maximum rates shall be computed by converting the reservation rate to a daily rate by multiplying the maximum and minimum reservation rate by 12 Months and dividing that product by 365 Days or 366 Days as appropriate.
- (d) The reservation charge(s) and reservation surcharge(s) for any index-based capacity release shall be determined according to NAESB WGQ Standard 5.3.67.
- (e) If a Replacement Shipper elects to prepay the reservation charge(s) and reservation surcharge(s) pursuant to GT&C Section 12.3, the prepaid reservation charge(s) and reservation surcharge(s) will be applied against reservation charge(s) and reservation surcharge(s) due Transporter once service commences.

9. CAPACITY RELEASE PROGRAM

- 9.17 Marketing Fee. A Releasing Shipper may request that Transporter actively market the capacity to be released. In such event, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged therefore.

9. CAPACITY RELEASE PROGRAM

- 9.18 Billing. Transporter will bill the Replacement Shipper the reservation charge and any applicable surcharges specified in the Replacement Capacity Agreement, and the Replacement Shipper shall pay these amounts directly to Transporter. The Releasing Shipper shall be billed the reservation charge and any associated surcharges pursuant to its contract, and, concurrently, Transporter will credit said bill by the reservation charge and applicable surcharge(s) due from the Replacement Shipper. The Releasing Shipper shall also be billed a negotiated marketing fee, if applicable, pursuant to the provisions of GT&C Section 9.17. As a part of the marketing fee, Transporter and the Releasing Shipper may agree to a different crediting amount. A Replacement Shipper who re-releases acquired capacity shall also pay Transporter's marketing fee, if applicable.

Transporter separately maintains Gas flows of Releasing and Replacement Shippers and will directly bill the appropriate Shipper for any overrun and imbalance charges, if applicable. Replacement Shipper shall pay the applicable Tariff maximum commodity rate for service rendered unless otherwise agreed by Transporter.

If a Replacement Shipper fails to make payment to Transporter of the reservation charge and any applicable reservation surcharge(s) due as set forth in GT&C Section 12, Transporter shall invoice Releasing Shipper the unpaid (1) reservation rates, (2) surcharges to the reservation rate, (3) other reservation-type charges, and (4) interest charges and late fees associated with such amounts. Such invoice adjustments are not subject to the time limitations of GT&C Section 12.5. In addition, the Releasing Shipper may terminate the release of capacity to the Replacement Shipper if such Shipper fails to pay the entire amount of any bill for service under the Replacement Capacity Agreement when such amount is due.

9. CAPACITY RELEASE PROGRAM

- 9.19 Compliance by Replacement Shipper. By acquiring released capacity, a Replacement Shipper agrees that it will comply with the terms and conditions of Transporter's certificate of public convenience and necessity authorizing this capacity release program and all applicable Commission orders and regulations. Such Replacement Shipper also agrees to be responsible to Transporter for compliance with all terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Replacement Capacity Agreement.

9. CAPACITY RELEASE PROGRAM

- 9.20 Temporary Capacity Release Obligations. The Releasing Shipper shall continue to be liable and responsible for all reservation charge(s) associated with a temporary release of capacity derived from the reservation charge specified in the Releasing Shipper's TSA or Replacement Capacity Agreement. Re-releases by a Replacement Shipper shall not relieve the original or any subsequent Releasing Shipper of its obligations under this section.

9. CAPACITY RELEASE PROGRAM

- 9.21 Refunds. In the event that the Commission orders refunds of any rates charged by Transporter, Transporter shall provide refunds to the initial Releasing Shippers to the extent that such Shippers have paid a rate in excess of Transporter's just and reasonable, applicable maximum rates. Releasing Shipper will bear the responsibility for providing refunds to the appropriate Replacement Shippers, unless otherwise agreed in a general rate case stipulation and settlement agreement.

9. CAPACITY RELEASE PROGRAM

9.22 Temporary Capacity Release Termination

- (a) Using the notice procedures of GT&C Section 12.7, Transporter may elect to terminate a Replacement Capacity Agreement upon 30 Days written notice to the Replacement Shipper, and to FERC, under the following conditions.
 - (1) Transporter has or will terminate the Releasing Shipper's service pursuant to (i) the Termination of Service provisions of GT&C Section 12.7 or (ii) the Creditworthiness requirements of GT&C Section 4.13; and
 - (2) The rate stated in the Replacement Capacity Agreement is less than the rate for service under the TSA with the Releasing Shipper.
- (b) A creditworthy Replacement Shipper may continue an existing Replacement Capacity Agreement by notifying Transporter prior to the end of the 30-Day notice period that it agrees to pay a rate that is the lesser of:
 - (1) the applicable maximum rate; or
 - (2) the same rate as is in the TSA between Transporter and the Releasing Shipper; or
 - (3) a mutually agreed upon rate.

IMBALANCE MANAGEMENT

10. IMBALANCE MANAGEMENT

- 10.1 Best Available Operational Data. Transporter will provide, on its EBB or by other available means of communication, its best available imbalance operational data to Shipper and to an Interconnecting Party/point operator. The imbalance operational data may be used for adjusting and maintaining a concurrent balance between receipts and deliveries and will be subject to change. The best available operational data will be provided on the day immediately following the close of each Gas Day.

10.2 Imbalance Management and Operating Tolerances.

- (a) **Imbalance.** For purposes of this section, a monthly Transportation Imbalance shall mean the cumulative difference between actual receipt quantities less FL&U, and the quantities delivered to and accepted by Shipper or Shipper's designee at the delivery points, resulting from current Month activity plus any beginning of Month imbalance.
- (b) **Balancing Obligations.** Daily and monthly balancing of receipt quantities and the quantities delivered to Shipper shall be Shipper's responsibility. Each Day Transporter shall, to the extent practicable, deliver quantities for Shipper's account concurrently with the receipt of quantities. At no time on any Day shall Transporter be required to receive quantities for Shipper's account in excess of the quantities Shipper or Shipper's designee will accept at the delivery point(s) on a concurrent basis. Similarly, on any Day Transporter shall not be required to make quantities available for delivery in excess of the receipt quantities being tendered by Shipper on a concurrent basis.
- (c) **Operating Tolerances.** Shipper and Transporter shall manage the receipts and deliveries so that daily and monthly imbalances shall be kept as near zero as practicable. Notwithstanding the foregoing, Transporter will, on a not unduly discriminatory basis, use commercially reasonable efforts to utilize any balancing flexibility afforded under an OBA at any OBA Point to accommodate on a reasonable basis variations in Shipper receipts and deliveries and to minimize any imbalance charges or penalties on Transporter's System for which Shippers would otherwise be responsible.
- (d) **Notification.** Either Party shall notify the other as soon as practicable when it becomes aware that receipts and deliveries are not in balance. Transporter shall formally notify Shipper of allocated receipts, deliveries, and related imbalances, by way of Transporter's EBB as soon as allocated quantities are available.
- (e) **Third Party Imbalance Management Services.** Transporter shall accommodate third-party imbalance management services on a non-discriminatory basis as long as these services comply with applicable NAESB WGQ Standards and do not adversely impact system operations. Criteria for third-party services will include compliance with NAESB WGQ nomination and confirmation time lines, and satisfaction of Transporter's credit requirements appropriate for the quantity of Shipper imbalance Gas for which such third party may be responsible.
- (f) **Imbalances with Other Parties.** Transporter shall not be responsible for eliminating any imbalances between Shipper and any third party, including imbalances between local distribution companies and/or specific end users. Furthermore, Transporter shall not be obligated to deviate from its standard operating and accounting procedures in order to reduce or eliminate any such imbalances.

- (g) **Balancing Upon Termination.** Upon termination of the TSA, any imbalance shall be eliminated through the procedures set forth in this section. No physical makeup of a negative imbalance will be permitted.
 - (i) Shipper shall have the first five (5) Days of the Month following the TSA termination date to resolve the terminated TSA imbalance pursuant to GT&C Section 10.3.
 - (ii) Any remaining imbalance at the end of the five-Day period of the Month following the TSA termination date will be Cashed Out to eliminate the remaining balance in accordance with GT&C Section 10.4(b).
 - (iii) Cash Out of terminated TSA imbalances will not be required if a resolution to the imbalance is mutually agreed to in writing prior to the end of the five-Day period of the Month following the TSA termination date. Any such written imbalance resolution will be agreed to on a not unduly discriminatory basis and posted on Transporter's EBB.
- (h) **Inactive TSA Imbalances.** An Inactive TSA is defined as any TSA with an imbalance that has remained unchanged for a three (3) consecutive Month period. Any such Inactive TSA imbalance quantity will be cashed out in accordance with GT&C Section 10.4(b). Transporter will provide notice to the Inactive TSA Shipper fifteen (15) Days prior to the pending Cash Out.
- (i) **Locations For Which Electronic Measurement Is Not Available.** When measurement information is not available at a location at the time allocations are performed, quantities will be allocated as scheduled. If measurement data is received on or before the fifth Business Day of the Month following flow, daily quantities will be reallocated pursuant to the appropriate Pre-determined Allocation procedure for the location. Measurement data which is received after the fifth Business Day of the Month will be used to retroactively allocate quantities at the location. Imbalances resulting from such retroactive allocations will be reflected for the next Month on the appropriate Shipper TSAs.

10. IMBALANCE MANAGEMENT

- 10.3 Imbalance Adjustments. Monthly imbalances shall be subject to the following imbalance resolution procedures; however, specific imbalance resolution procedures may be further delineated in an OBA entered into pursuant to GT&C Section 10.6.
- (a) Definitions:
- (i) “Transportation Imbalance” shall mean the difference between a Shipper’s actual receipts allocated to Shipper (adjusted for FL&U) and allocated deliveries under any firm or interruptible transportation agreement.
 - (ii) A “Positive Imbalance” shall mean that a positive difference between receipts and deliveries under a Shipper’s TSAs, are “Due To” Shipper.
 - (iii) A “Negative Imbalance” shall mean that a negative difference between receipts and deliveries under a Shipper’s TSAs are “Due From” Shipper.
 - (iv) The “Trading Period” shall be the period beginning on the 1st calendar Day following the end of the immediately preceding month through the end of the 17th business day following the end of such preceding month.
- (b) Netting of Imbalances. At the end of each Month, Transporter shall, unless otherwise agreed, net Transportation Imbalances among a Shipper’s TSAs under all Rate Schedules and shall consolidate each Shipper’s remaining Transportation Imbalances under all TSAs to a single net imbalance quantity for use in the Imbalance Trade process as described in this Section.
- (c) Election for Imbalance Trades. During the Trading Period, Shipper may elect to trade the previous month’s Transportation Imbalances with other Shipper’s contract(s). Trading will be allowed when (i) Transportation Imbalances are incurred on Transporter’s system and (ii) the resulting trade will reduce the Transportation Imbalance for each Shipper. Transportation Imbalances cannot be traded with imbalances on an OBA, or with imbalances on any other Transportation Service Provider or Interconnecting Party. If Transporter does not receive notification of Shipper’s election to trade Transportation Imbalances pursuant to this Section, then any Transportation Imbalance will be cashed out pursuant to the terms of this section.
- (d) Transporter shall effect an election to make an Imbalance Trade incurred during a Month as posted and verified electronically.
- (i) A Shipper, acting without the assistance of Transporter, may negotiate an Imbalance Trade arrangement with another Shipper.

- (ii) Upon Shipper's request, Transporter shall post on its EBB the Shipper's willingness to conduct an Imbalance Trade. Such posting shall include the imbalance quantity available to be traded, the Shippers' contact name(s) and phone number(s) and any special conditions. Such posting may be made through the end of the seventeenth (17th) Business Day of the Month following the accumulation of an imbalance.
- (iii) Shippers shall negotiate the terms of any Imbalance Trades among themselves. Shipper shall promptly notify Transporter of any Imbalance Trades conducted during the Trading Period.
- (iv) Transporter shall permit Imbalance Trade arrangements at no additional cost to the Shippers.
- (v) After completion of all Imbalance Trade transactions, Transporter shall apply the Imbalance Trade quantities to Shipper's original TSA-level imbalances until the Imbalance Trade quantities have been fully allocated. TSAs with the largest percentage imbalances shall be credited with Imbalance Trade quantities first. The imbalance percentage shall be determined by comparing the size of the imbalance to the larger of total receipt or total delivery quantities for the TSA containing the imbalance. After all successful Imbalance Trades have been completed, the remaining imbalance will be cashed out pursuant to GT&C Section 10.4.

10.4 Cash Out. All remaining imbalances after netting and trading have occurred shall be subject to the following Cash Out provisions.

- (a) Application of the Cash Out process will result in a monetary value due to the Shipper or Transporter which upon payment, will result in reduction of the imbalance to zero.
- (b) Determination of Cash Out Price. Each month Shipper's Transportation Imbalances remaining at the end of the Month shall be cashed out as set forth herein.
 - (i) Transporter, paying the "Buy" price for imbalances "Due To" Shipper; or Shipper paying the "Sell" price for imbalances "Due From" Shipper, shall cash out the imbalance at the applicable current reference spot prices "Buy/Sell" established on Transporter's system. The reference spot prices for each month will be determined from the daily prices for the Transco, Leidy Line receipts index, as published in Platts Gas Daily "Final Daily Price Survey." Transporter will calculate the simple average of the "Common High," "Midpoint" and "Common Low" prices for the Transco, Leidy Line receipts index reported in Platt's Gas Daily for each day of the calendar month of gas flow and will also include prices from the first seven days of the next succeeding calendar month to determine the reference spot prices. Platts Gas Daily is published by McGraw Hill Financial. In the event that Platts Gas Daily is no longer

published, the successor McGraw Hill Financial publication shall be used.

- (ii) Transporter and Shipper shall Cash Out any imbalance remaining after netting and trading pursuant to GT&C Section 10.3 by applying the Cash Out price, pursuant to GT&C Section 10.4(c), to the final end-of-Month Transportation Imbalance.
- (c) Determination of Cash Out Liabilities.
 - (i) Nothing in this section will relieve Shipper from liability for imbalances and charges incurred pursuant to an OBA subject to GT&C Section 10.6.
 - (ii) Cash Out prices shall be reported on Transporter's EBB no later than 5:00 p.m. CCT on the tenth Business Day of the Month following the Month for which the imbalance was incurred, and shall be priced in the following manner.
 - A. At the end of the Trading Period, if a Shipper's Transportation Imbalance is "Due From" Shipper, Transporter shall cash out the imbalance based on tiers beginning with (i) below and progressing through each subsequent tier until the entire imbalance has been cashed out. Each tiered imbalance quantity shall be calculated by multiplying the percentage imbalance times Buyer's total deliveries. Any imbalance that is equal to or less than 1,000 Dth shall be cashed out using the provisions set forth in (i) below.
 - i. Transportation Imbalance quantities which are equal to or less than a 2.5% imbalance shall be multiplied by the applicable "Sell" price calculated as an Average Spot Price. The Average Spot Price shall be the simple average of the "Midpoint" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month; then
 - ii. Transportation Imbalance quantities which are greater than a 2.5% imbalance but less than or equal to a 5% imbalance shall be multiplied by the applicable "Sell" price which shall be the simple average of the "Common High" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month; then
 - iii. Imbalance quantities which are greater than a 5% imbalance but less than or equal to a 10% imbalance shall be multiplied by the applicable "Sell" price which shall be the simple average of the "Common High" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 120%; then

- iv. Imbalance quantities which are greater than a 10% imbalance but less than or equal to a 15% imbalance shall be multiplied by the applicable "Sell" price which shall be the simple average of the "Common High" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 130%.
 - v. Imbalance quantities which are greater than a 15% imbalance but less than or equal to a 20% imbalance shall be multiplied by the applicable "Sell" price which shall be the simple average of the "Common High" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 140%; then
 - vi. Imbalance quantities which are greater than a 20% imbalance shall be multiplied by the applicable "Sell" price which shall be the simple average of the "Common High" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 150%.
- B. At the end of the trading period, if a Buyer's imbalance is "Due To" Buyer, Transporter shall cash out the imbalance based on tiers beginning with (i) below and progressing through each subsequent tier until the entire imbalance has been cashed out. Each tiered imbalance quantity shall be calculated by multiplying the percentage imbalance times Buyer's total deliveries. Any imbalance that is equal to or less than 1,000 dt shall be cashed out using the provisions set forth in (i) below.
- i. Imbalance quantities which are equal to or less than a 2.5% imbalance shall be multiplied by the applicable "Buy" price calculated as the Average Spot Price. The Average Spot Price shall be the simple average of the "Midpoint" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month; then
 - ii. Imbalance quantities which are greater than a 2.5% imbalance but less than or equal to a 5% imbalance shall be multiplied by the applicable "Buy" price which shall be the simple average of the "Common Low" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month; then
 - iii. Imbalance quantities which are greater than a 5% imbalance but less than or equal to a 10% imbalance shall be multiplied by the applicable "Buy" price which shall be the simple average of the "Common Low" prices for the days of the calendar month of gas

flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 80%; then

- iv. Imbalance quantities which are greater than a 10% imbalance but less than or equal to a 15% imbalance shall be multiplied by the applicable "Buy" price which shall be the simple average of the "Common Low" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 70%.
 - v. Imbalance quantities which are greater than a 15% imbalance but less than or equal to a 20% imbalance shall be multiplied by the applicable "Buy" price which shall be the simple average of the "Common Low" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 60%; then
 - vi. Imbalance quantities which are greater than a 20% imbalance shall be multiplied by the applicable "Buy" price which shall be the simple average of the "Common Low" prices for the days of the calendar month of gas flow and the first seven days of the next succeeding calendar month, multiplied by a factor of 50%.
- (iii) Transporter shall pay or credit the account, as appropriate, of Shipper for any Cash Out amounts due Shipper when Shipper elects to cash out any amount Due To Shipper. Shipper shall pay Transporter for any Cash Out amounts Due From Shipper.
 - (iv) Upon payment of the appropriate Cash Out amounts, the final end-of-Month quantities under the affected TSA will be adjusted accordingly.
 - (v) Transporter will not Cash Out imbalances if: (A) Shipper's action is excused by force majeure, (B) Transporter has invoked force majeure, or (C) the imbalances result from Transporter's error. Transporter shall permit any imbalances exempted from Cash Out under this provision to be made up in-kind or by some other mutually agreeable method, provided such makeup occurs within three (3) Months from the date the imbalance was created.
 - (vi) Penalties that are in excess of Transporter's costs, including any administrative costs that are received by Transporter pursuant to the operation of this section, shall be credited to Transporter's firm and interruptible transportation Shippers on a pro rata basis in accordance with the quantities transported for each Shipper. Transporter shall credit any such excess penalties no later than the March accounting Month statement sent to Shippers following the applicable calendar year end.

10. IMBALANCE MANAGEMENT

- 10.5 Determination of Deliveries. At each receipt or delivery point, quantities shall be based upon an allocation procedure determined in accordance with this Section 10.5. Quantities shall mean quantities nominated by Shipper and scheduled and confirmed by Transporter pursuant to GT&C Section 6.3.
- (a) At OBA Points, quantities shall be allocated based on the provisions of the applicable OBA entered into pursuant to GT&C Section 10.6.
 - (b) At all other receipt and delivery points, Transporter shall reach agreement with the Interconnecting Party as to the Predetermined Allocation Agreement (PDA) to be used.
 - (i) PDAs shall be established using the allocation methodologies and criteria set forth in the NAESB WGQ Standards.
 - (ii) PDAs for each Month shall be agreed to prior to Gas flow. To the extent possible, changes to PDAs during a Month shall be minimized or avoided.
 - (iii) Transporter shall post on its EBB the PDA methodology to be used at each receipt and delivery point.
 - (iv) In the event that less than confirmed nominations are to be allocated, Transporter shall use the ranks provided in the affected nominations to determine Shipper priorities to the extent that use of such rank is not in conflict with other provisions of this Tariff.
 - (c) Absent an OBA or PDA methodology, quantities at each receipt and delivery point shall be allocated pro rata based on scheduled quantities.

10. IMBALANCE MANAGEMENT

- 10.6 Operational Balancing Agreement. Transporter may enter into an Operational Balancing Agreement (“OBA”) at receipt and delivery points with an Interconnecting Party on a not unduly discriminatory basis. Transporter is required to have an OBA with interstate pipelines and applicable intrastate pipelines or foreign pipelines that are the functional equivalent of an interstate or intrastate pipeline. An OBA is a contract between Transporter and an interconnected Operator/Interconnecting Party which specifies the procedures to manage operating variances at an interconnect (NAESB WGQ Standard 2.2.1). Such OBAs provide for the allocation of scheduled quantities to the Shippers' accounts with any operational variances allocated to the OBA. Locations covered by an effective OBA do not require a predetermined allocation agreement. Shipper will be liable for any penalties or charges incurred by Transporter as a result of Shipper's failure to follow the scheduling procedures of GT&C Section 6.

10. IMBALANCE MANAGEMENT

10.7 Pooling. Transporter shall offer one pool on its system if requested to do so.

10. IMBALANCE MANAGEMENT

- 10.8 Maintenance of System Integrity. Nothing in this section limits Transporter's right to take any and all actions that may be required to adjust receipts and deliveries of Gas in order to alleviate conditions that might threaten the integrity of its system, including the integrity of maintaining service to higher-priority Shippers.

SYSTEM OPERATIONAL PARAMETERS

11. SYSTEM OPERATIONAL PARAMETERS

11.1 Action Alerts

- (a) If Transporter determines that due to (i) an ongoing or anticipated weather event, (ii) a known equipment problem, or (iii) the anticipated continuation of a current system operational problem, action is necessary to avoid a situation in which the system integrity is jeopardized or Transporter's ability to render firm service is threatened, and prior to issuance of an Operational Flow Order under GT&C Section 11.2, Transporter may issue an Action Alert as set out herein to forestall the development of a situation that would require the issuance of an OFO.
- (b) Notice. Transporter will provide notice of an Action Alert in accord with the procedures set forth in GT&C Section 11.6. A minimum of 36 hours prior to the time that the Shipper is requested to take the action specified in the Action Alert, Transporter will issue a notice which informs the Shipper of the known or anticipated problem on the system, the action Shipper will be requested to take, and the anticipated time at which Shipper will be requested to take the described action. The Shipper will be expected to take preliminary actions to assist Transporter in avoiding a system problem. A minimum of 24 hours prior to the time that the designated action is requested to be implemented, Transporter will issue specific action requests. Whenever practicable, Transporter will issue the action instructions such that the time of conformance will correspond with the beginning of the Gas Day.
- (c) Requested Actions. Upon issuance of a notice of an Action Alert, Transporter may request that a Shipper take any of the following actions, or other similar actions, to the extent that such actions would alleviate the situation giving rise to the need for the Action Alert and/or avoid the need for an OFO:
 - (i) increase or decrease receipts and/or deliveries at specified points to nominated and confirmed quantities;
 - (ii) bring the nominations at specified receipt and/or delivery points within designated balancing tolerances.
- (d) Compliance. Compliance with an Action Alert is mandatory. Shipper will be required to take the actions specified in an Action Alert within the time period set forth therein, including seeking waivers of any contractual limits with third parties or modifications of operating conditions on third-party systems necessary to implement the actions specified in the Action Alert, unless Shipper is unable to comply because compliance: (i) is not within its physical control or capability; (ii) is prevented by operating conditions on a third-party system which are beyond the Shipper's control and Shipper's request for modification of which was rejected by the operator of the third-party system; (iii) is precluded by contractual restrictions with persons other than Transporter and Shipper's request for waiver of such contractual restrictions was rejected by such

contractual counterparty; and/or (iv) is prevented due to a force majeure event as defined in Section 11.12 of the GT&C of this Tariff. Shipper shall notify Transporter immediately if it believes that it is excused from compliance with the Action Alert for any of the above stated reasons, and provide reasonable documentation in support of Shipper's claim. No penalties shall be imposed if a Shipper fails to comply with an Action Alert where Shipper's noncompliance was excused by one of the circumstances enumerated in (i) through (iv) above. If Shipper fails to comply with the requirements of an Action Alert within the period specified for such compliance, and Shipper's noncompliance was not excused by one of the circumstances described in paragraphs (i) through (iv) of this subsection (d), Transporter may assess a penalty equal to the 100% load factor equivalent of the Maximum Reservation Rate for FT Service for each Dth by which Shipper failed to comply with the Action Alert. Notwithstanding anything to the contrary in this Section 11.1(d), if Shipper is required to make a nomination pursuant to an Action Alert, unless critical circumstances dictate otherwise, no penalties will be assessed unless Shipper is given the opportunity to correct the circumstances giving rise to the Action Alert.

- 11.2 OFOs Generally. Transporter, in its discretion, shall have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of Transporter's system.

11.3 Forms of OFOs. An OFO may:

- (a) direct any firm Shipper to increase or decrease quantities delivered to Transporter at Points of Receipt or to increase or decrease quantities received from Transporter at Points of Delivery in accordance with Section 11.5(b), below; or
- (b) implement verbal arrangements with Transporter; or
- (c) enable Transporter to take or require any other actions as may be deemed necessary by Transporter in its judgment in order to maintain the operational integrity of Transporter's system.

11.4 OFO Operations Conditions. OFOs may be issued in any of the following circumstances:

- (a) to alleviate conditions that threaten the operational integrity or quality of gas delivered from of Transporter's system; or
- (b) to maintain minimum necessary pressures for transportation service operations.

The OFO will remain in effect until the operational condition requiring its issuance has been remedied.

11.5 Condition to Firm Service Agreements.

- (a) Transporter may issue an effective OFO to any Shipper under a firm transportation service Rate Schedule to:
 - (i) increase/decrease quantities tendered to Transporter for transportation at the Point of Receipt up to, but not exceeding Shipper's MDQ or MHQ; or
 - (ii) increase/decrease quantities requested to be delivered to or for the account of Shipper at the Point of Delivery, up to, but not exceeding Shipper's MDQ or MHQ, to eliminate any imbalance of Shipper on the system. Shipper will be required to comply with such OFO following twenty-four (24) hours prior notice.

- 11.6 OFO Notice, Contents and Procedures. Transporter shall issue an OFO as expeditiously as is reasonably practicable in the circumstances, utilizing electronic communication, (information transmitted via Transporter's EBB, electronic delivery mechanism prescribed by NAESB or other mutually agreed communication methodologies used to transmit and receive information, including communication by telephone). Transporter shall post and provide Shippers with updated information concerning the status of operational variables related to the OFO as soon as it is available. Each OFO will contain the following provisions:
- (a) time and date of issuance;
 - (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
 - (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
 - (d) the party or parties receiving the OFO;
 - (e) the quantity of Gas required to remedy the operational condition requiring the issuance of the OFO; and
 - (f) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO.

- 11.7 Failure to Comply with OFO. If a Shipper or its agent fails to comply with the terms of an OFO, for any reason other than force majeure on an upstream or downstream pipeline, such Shipper shall be: (a) liable for any actual costs incurred by Transporter or any other affected party as a result of such failure; and (b) subject to a penalty, to be assessed by Seller on Transporter's monthly invoice following such noncompliance, in the amount of the higher of (i) \$50 per Dth or (ii) three (3) times the highest weekly Reference Spot Price for the current month set forth in GT&C Section 10.4(b). The payment of an OFO penalty shall under no circumstances be considered as giving Shipper the right to violate OFOs nor shall such payment be considered as a substitute for any other remedy available to Transporter or any other Shipper against the offending Shipper for failure to comply with an OFO. Notwithstanding anything to the contrary in this Section 11.7, if Shipper is required to make a nomination pursuant to an OFO, unless critical circumstances dictate otherwise, no damages and/or penalties will be assessed unless Shipper is given the opportunity to correct the circumstances giving rise to the OFO.

11.8 [RESERVED]

- 11.9 Transporter's Scheduling Authority. Transporter shall have the right to act as a scheduling agent for a Shipper's account if (a) the Shipper refuses to schedule Gas receipts and deliveries as specified by an OFO issued pursuant to Section 11.5(a); or (b) if Transporter requires additional quantities in less than the twenty-four (24) hour notice period normally required for an OFO, and the Shipper has refused verbal request to schedule the required quantity of Gas.

- 11.10 Flow Control Equipment. Transporter has the right to construct, install, and/or operate remote or manual flow control equipment ("Flow Control") that restricts or temporarily suspends the flow of gas into or out of its system so as to preserve the operational integrity, safety and reliability of its system.
- (a) Subject to Section 11.10(b), Transporter may exercise Flow Control when it determines in its reasonable judgment in a not unduly discriminatory manner that the use of Flow Control will contribute to the safe, reliable, efficient, and orderly operation of its system in a manner that is consistent with its service obligations under all of its Rate Schedules, subject to the following:
- (i) In the event Transporter utilizes such option, Transporter, in a not unduly discriminatory manner, may set the rate of flow at a delivery point at a level no less than the sum of the daily scheduled quantities for all Shippers at such point.
 - (ii) Prior to invoking Flow Control, Transporter shall provide notice reasonably contemporaneously to the affected Operator(s) by phone and email.
 - (iii) Flow Control will not be used at an OBA Point that is being operated within the parameters of the executed operational balancing agreement.
- (b) Notwithstanding anything in this Section 11.10, Transporter, acting in a reasonable and non-discriminatory manner, may exercise Flow Control under the following circumstances (but shall provide as much advance notice as reasonably possible):
- (i) To the extent necessary to preserve the safety or the integrity of all or part of Transporter's system;
 - (ii) To enforce an OFO pursuant to GT&C Section 11;
 - (iii) To enforce the gas quality specifications set forth in GT&C Section 3, unless such specifications have been waived pursuant to GT&C Section 3.4;
 - (iv) In an emergency situation to the extent necessary to protect human life, health, property or the environment; or
 - (v) When Transporter and Operator mutually agree to the use of Flow Control.
- (c) Transporter will not be held liable for any damages to Operator or Shipper resulting from Transporter's use of Flow Control that is consistent with the requirements of this Section 11.10.

11. SYSTEM OPERATIONAL PARAMETERS

11.11 Cooperation During Critical Periods

Recognizing the potentially harmful impact of service interruptions on the pipeline to Shippers who may depend on Gas supply from the pipeline for electric generation or for service to temperature sensitive end-use customers during critical periods, Transporter acknowledges and agrees that it will: (i) use commercially reasonable efforts to limit the implementation of Action Alerts and OFO's during periods of high Gas and electricity demand to circumstances where the potential harm to pipeline system integrity is substantial and immediate (rather than events or occurrences that may accumulate or harm system integrity over a longer time period if left un-remedied); (ii) coordinate the issuance of any Action Alert or OFO during periods of high Shipper demand with all impacted Shippers, in order to minimize, to the extent practicable, the disruptive effect of the Action Alert or OFO on such Shippers' downstream operations; and (iii) institute any Action Alerts or OFO during periods of high Shipper demand on a non-discriminatory basis, such that no Shipper is unduly benefitted to the undue detriment of any other Shipper.

11.12 Force Majeure

- (a) A force majeure event shall generally mean any unplanned or unanticipated event or circumstance that is not within the control of the party claiming suspension of its obligation and which such party could not have avoided through the exercise of reasonable diligence. A force majeure event includes, without limitation: acts of God, fires, explosions, earthquakes, volcanic eruptions, storms, floods, or washouts; compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, whether federal, Indian, state or local, civil or military; acts of a public enemy; wars or civil disturbances; strikes, lockouts or other industrial disturbances; failure of any third parties necessary to the performance by either Transporter or Shipper under the relevant TSA(s); the acts, errors or omissions of any third parties that have the effect of precluding or in any way interfering with Transporter or Shipper's performance under the executed TSA; breakage, accident or failure of pipelines, machinery of any kind, valves, electronic equipment, metering devices, or any other facility or tangible thing related to or required for the safe, reliable and efficient transportation or storage of Gas; testing (as required by governmental authority); inability to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this Tariff or any governmental requirement; inability to obtain rights of way; and any other causes that are not reasonably within the control of the party claiming suspension. An event associated with compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military and/or the necessity for testing (as required by governmental authority or as deemed necessary for safe operation by the testing party) shall be considered a force majeure event only when the event is outside of Transporter's control.
- (b) A force majeure event shall include shutdowns for purposes of necessary repairs, alterations, relocations, or construction of facilities associated with any of the events described in GT&C Section 11.12(a). Transporter shall exercise reasonable diligence to schedule such shutdowns so as to minimize or avoid service interruptions.
- (c) If, because of a force majeure event, either Transporter or Shipper is rendered unable, wholly or in part, to perform its obligations under a TSA or this Tariff, or both, and if the party unable to perform its obligations under a TSA or this Tariff gives notice of such event within a reasonable period of time and provides full particulars of the event in writing or by electronic communication (other than telephone), nonperformance of the party giving such notice shall be excused during the continuance of such event and to the extent its performance is affected by such event. The party claiming force majeure shall use reasonable diligence to remedy its nonperformance, including undertaking such alternative performance as may be reasonable under all the facts and circumstances.
- (d) No force majeure event affecting the performance by Transporter or Shipper shall relieve such party of its liability in contract, if a court or agency of

competent jurisdiction later determines that the declared event did not qualify as a force majeure event under GT&C Sections 11.12(a) or 11.12(b), or that such party claiming force majeure failed to use reasonable diligence to remedy its nonperformance as provided in GT&C Section 11.12(c). Nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments due, including reservation charges.

- (e) The declaration of a force majeure event by Shipper shall not relieve Shipper of all of its obligations under this tariff, including, but not limited to, its obligation to: 1) nominate and schedule both the receipt and delivery quantity to match actual physical receipts; and/or 2) nominate and schedule the delivery quantity equal to the amount of shipper's actual takes; and/or 3) take no more from the delivery point than has been scheduled; and/or 4) take no more from the delivery point than has been physically received.

BILLING AND PAYMENT

12. BILLING AND PAYMENT

12.1 Billing

- (a) Billing. On or before the ninth Business Day of each Month Transporter shall render to Shipper an original invoice for the total payment for services rendered to Shipper under its TSA during the preceding Month.
 - (i) Invoices shall be deemed rendered when Transporter posts notification on its EBB that invoices are approved or final, unless the Shipper has elected to have invoices rendered via U.S. mail. If the Shipper elects to have invoices rendered via U.S. mail, then Shipper's invoice shall be deemed issued if Transporter places such invoice in the U.S. mail service with sufficient postage for delivery to the person and address designated pursuant to the applicable TSA.
 - (ii) A Shipper may request a complimentary e-mail notification provided that it is the Shipper's responsibility to maintain current e-mail contact information on Transporter's EBB to ensure delivery.
 - (iii) A Shipper may elect to change its invoice delivery mechanism by notifying Transporter before the end of the Month to be effective for the next billing cycle.
- (b) When Shipper is in control of information required by Transporter to prepare invoices, Shipper shall cause such information to be received by Transporter on or before the fifth Business Day of the Month immediately following the Month to which the information applies. If the information is not received by such deadline, Transporter will make a good faith estimate of the information and proceed with the billing process.

12.2 Payment and Late Charge

- (a) **Payment.** Each Shipper shall pay Transporter in immediately available funds, at the address listed in the Payments, Notices, and Contacts Section of this Tariff, within eleven (11) Days of electronic receipt of the original invoice for the preceding Month. Unless otherwise specified, the effective payment due date of an invoice when such due date does not fall upon a Business Day should be the first Business Day following the due date (NAESB WGQ Standard 3.3.25). Any invoice provided by Transporter which is received by Shipper after the ninth Business Day of the Month shall not extend the due date of payment unless Transporter is responsible for such delay.
- (b) **Late Charge.** Should Shipper fail to pay the entire amount of any invoice when same is due, interest on the unpaid balance shall accrue using the interest rates and procedures specified in Section 154.501(d) of the Commission Regulations from the due date of payment to the date of actual payment. Shipper shall not be required to pay interest when such amount is less than \$1000.

- 12.3 Prepayment of Reservation Charges. Upon mutual agreement between Transporter and a firm Shipper and in a not unduly discriminatory manner, Shipper may, at any time, prepay a portion of or all of the applicable reservation charge(s) and reservation surcharge(s) under its TSA. Transporter shall remit to Shipper interest, calculated pursuant to 18 C.F.R. Section 154.501(d)(1), on such prepayment amount from the date prepayment is received by Transporter until the end of each Month that service under the applicable TSA(s) is rendered and a prepayment amount remains. Transporter shall remit interest to Shipper on the unused portion of the prepayment amount until such amount is depleted. Transporter will calculate the interest amount on the applicable remaining portion of the prepayment amount at the end of each Month and will remit to Shipper a prepayment interest credit for such amount in the next invoice issued.
- (a) If Shipper prepays the reservation charge(s) and reservation surcharge(s) and the TSA is subsequently terminated in accordance with terms set forth in the TSA, Transporter shall refund to Shipper that portion of any prepayment which applies to the period subsequent to the termination plus interest on such prepayment amount.
 - (b) Shippers remitting prepayment amounts to Transporter pursuant to GT&C Section 4.11 shall not be eligible to receive interest provided for by this Section 12.3.

- 12.4 Dispute Procedures. In the event of a bona fide dispute between the parties concerning the billed amount, Transporter shall not terminate transportation service under the notification procedures outlined below when Shipper acts in a timely manner to provide additional information and security for Transporter in accordance with the following procedures.
- (a) Remittance Detail. When Shipper submits payment, it must pay all amounts not in dispute and provide documentation supporting any disputed amounts. If payment differs from the amount invoiced, Shipper shall provide remittance detail with the payment. However, unless Shipper provides documentation specifying otherwise, if either principal or interest are due, any payments thereafter received shall first be applied to the interest due, then to the previously outstanding principal due and, lastly, to the most current principal due, unless the parties mutually agree otherwise.
 - (b) Payment Security. Within thirty (30) Days after the due date of any payment, Shipper must pay the disputed amount in full or provide sufficient security for the disputed amount. If Shipper pays the disputed amount, such amount is subject to return by Transporter, with interest calculated in accordance with Section 12.2(b), if the dispute is resolved in Shipper's favor. If Shipper does not pay the disputed amount, it must furnish good and sufficient payment security (in addition to any security furnished pursuant to GT&C Section 4.11), acceptable to Transporter for all amounts ultimately found due after resolution of the dispute, including the amount now in dispute plus the estimated interest calculated in accordance with GT&C Section 12.2(b) that accrues until resolution of the dispute. Shipper shall not be required to pay interest when such amount is less than \$100. This section does not apply to ordinary adjustments of overcharges and undercharges in accordance with GT&C Section 12.6.

- 12.5 Corrections. The time period for corrections to invoice or statement shall be six (6) Months from the date of the initial invoice or statement with a three-Month rebuttal period using the dispute procedures described above in GT&C Section 12.4, excluding government required rate changes. Parties' other statutory or contractual rights shall not otherwise be diminished by this limitation. If there is a deliberate omission or misrepresentation of fact, there will be no time limit for correction of the invoice. If there has been a mutual mistake of fact, no corrections shall be made for an invoicing error unless notice of the mistake is given within 24 Months after the mistake is committed.

- 12.6 Adjustment of Overcharge and Undercharge - If it is determined within the time limits specified in GT&C Section 12.5 that Shipper has been overcharged or undercharged as a result of an error in billing for which Transporter is solely responsible and Shipper paid such bill, then the following procedures will apply. Unless mutually agreed otherwise, Transporter shall refund within thirty (30) Days of a final determination the amount of any overcharge, with interest calculated pursuant to GT&C Section 12.2(b). Unless mutually agreed otherwise, Shipper shall pay within thirty (30) Days of a final determination the amount of any undercharge, with interest calculated pursuant to GT&C Section 12.2(b). Interest shall be calculated from the time such overcharge or undercharge was paid to the date of refund or payment, respectively; provided, however, neither Transporter nor Shipper shall be required to pay interest when such amount is less than \$1000. This section does not apply to payments subject to a billing dispute in accordance with GT&C Section 12.4.

- 12.7 Termination of Service. Without prejudice to any other rights and remedies available to Transporter under the law and the TSA, Transporter shall have the right to initiate the termination of transportation service using the following notification procedures if any undisputed amount billed to a defaulting Shipper remains unpaid for more than forty (40) Days after the due date thereof. If the defaulting Shipper has released a portion of its capacity, then Transporter shall also comply with the requirements of GT&C Section 9.22.
- (a) First Notice: On or about 15 Days after the due date of any payment, Transporter shall provide written notice to the defaulting Shipper and to the FERC that service may be terminated on the fortieth (40th) Day unless payment is received;
 - (b) Second Notice: On or about thirty (30) Days after the due date of any payment, Transporter shall provide written notice to the defaulting Shipper and to the FERC, that service may be terminated in ten (10) Days unless payment is received;
 - (c) Final Notice: On or about forty (40) Days after the due date of any payment, Transporter may provide written notice to the defaulting Shipper and to the FERC, that service is terminated.
 - (d) If a defaulting Shipper's service is terminated under a TSA, such Shipper shall compensate Transporter for any difference between the revenues due Transporter for the remaining contract term under the terminated TSA and the revenues to be received under a replacement TSA, if any, marketed to another Shipper to replace the terminated TSA. In addition, any outstanding imbalance quantity will be treated in accordance with the provisions of GT&C Section 10.

FUEL AND L&U

13. Fuel and L&U

- 13.1 FL&U consists of compressor station fuel Gas and fuel Gas for other utility purposes, including but not limited to line losses and other unaccounted-for Gas in the operation of Transporter's building uses and pipeline system. FL&U shall be furnished in-kind by Shippers at applicable receipt point(s) on a pro rata basis in addition to the quantity to be transported.
- 13.2 The reimbursement percentage for Fuel and the reimbursement percentage for L&U shall be stated separately on the Statement of Rates. Transactions will be assessed a charge for L&U as identified on the Statement of Rates.
- 13.3 Transporter shall adjust the FL&U reimbursement percentages on an annual basis, to take into account both prospective changes in FL&U requirements and unrecovered FL&U quantities from the preceding period as described at Section 13.5 below. Such FL&U adjustment shall be effected by means of an FL&U Adjustment Mechanism filing ("FAM"), which shall be filed with the Commission on or before March 1 to become effective April 1 ("Annual FAM Filing").
- 13.4 Transporter will account for all under or over recovered FL&U quantities in Account No. 186.
- 13.5 The FL&U percentages, as adjusted by Transporter through its FAM filings, shall consist of (i) the Current FL&U Percentages, and (ii) the Unrecovered FL&U Percentages, calculated in the following manner:
- (a) Current FL&U Percentage Component. In each Annual and Periodic FAM Filing, Transporter shall calculate the Current FL&U Percentages by: (i) estimating the total FL&U quantities required during the 12-month period commencing with the effective date of Transporter's FAM filing ("Current FL&U Quantities") and (ii) dividing those volumetric figures by the total FL&U quantities required by Transporter to flow during the same 12-month period commencing with the effective date of the FAM filing ("Current Rate Schedule Quantities").
 - (b) Unrecovered FL&U Percentage Component. In each Annual FAM Filing, Transporter shall calculate the Unrecovered FL&U Percentages by: (i) determining the FL&U quantities for the preceding calendar year ("Preceding Annual Period"); (ii) subtracting the FL&U quantities retained by Transporter during that Preceding Annual Period; and (iii) dividing the results (the "Unrecovered FL&U Quantities"), whether positive or negative, by the Current Rate Schedule Quantities for the 12-month period commencing on the effective date of that Annual FAM Filing.
 - (c) In each Annual or Periodic FAM Filing, Transporter shall add (i) the Current FL&U Percentages established in that filing, as calculated in accordance with paragraph (a) above, and (ii) the Unrecovered FL&U Percentages established in the currently effective Annual FAM Filing (whether a positive figure reflecting an under-recovery or a negative figure reflecting an over-recovery), as

calculated in accordance with paragraph (b) above. The resulting total FL&U percentages shall be effective until the effective date of Transporter's next succeeding FAM filing.

- 13.6 If the provisions of this Section are terminated or otherwise rendered inapplicable, Shippers shall remain liable for any Unrecovered FL&U Quantities from the effective date of Transporter's most recent FAM filing through the date of termination (the "Termination Period"). Transporter shall remain liable to such Shippers for any excess FL&U quantities. Any positive or negative balance in Transporter's Unrecovered FL&U Quantities account at the date of termination (i) shall be allocated to any successor services offered by Transporter, or (ii) if no successor services are offered by Transporter, shall be charged to Shippers based on the actual quantities that flowed during the Termination Period.
- 13.7 FL&U calculations shall be accomplished pursuant to NAESB WGQ standards, as follows:
- (a) When the fuel reimbursement method is fuel in-kind, the results of the fuel reimbursement calculations for the nomination process shall be rounded to the nearest Dekatherm or Gigajoule (Canada) or Gigacalorie (Mexico). The mathematical effect of rounding can yield a result of zero. (NAESB WGQ Standard 1.3.15).
 - (b) Where fuel reimbursement is in-kind, the standard fuel calculation mechanism, as this is related to the nomination process, shall be $(1 - \text{fuel \%} / 100)$ multiplied by receipt quantity = delivery quantity (NAESB WGQ Standard 1.3.16).
 - (c) For in-kind fuel reimbursement methods, Transporter shall not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth (NAESB WGQ Standard 1.3.29).
 - (d) The transportation priority for fuel shall be the same as the level of service as the transaction to which it applies (NAESB WGQ Standard 1.3.31).
 - (e) For current in-kind fuel reimbursement procedures, fuel rates shall be made effective only at the beginning of the Month (NAESB WGQ Standard 1.3.28).

PENALTIES

14. PENALTIES

14.1 Penalty Provisions

- (a) Shipper will only be subject to one penalty for the same type of infraction involving any quantity of Gas in conjunction with transportation service under this Tariff. Daily and hourly overruns are considered different services.
- (b) Shipper shall pay only one penalty/charge when Shipper's actions result in unauthorized overrun penalties and OFO penalties. Shipper shall pay the higher of the unauthorized overrun penalty or the OFO penalty ("higher-of-test").

14.2 Crediting of Penalties

- (a) OFO penalties. In the event Transporter collects OFO penalties pursuant to GT&C Section 11.1, the OFO penalty, net of Transporter's costs, shall be credited annually to all non-offending firm transportation Shippers by invoice credit.
- (b) Unauthorized Overrun Penalties. In the event Transporter collects unauthorized daily or hourly overrun penalties pursuant to Rate Schedule FT, the unauthorized overrun penalties, net of Transporter's costs, shall be credited annually to all non-offending firm transportation Shippers by invoice credit.
- (c) Credits to eligible Shippers shall be made on a pro rata basis, based on a Shipper's total reservation and commodity charges paid each Month. A monthly credit will not be provided to a Shipper that incurred a penalty during that Month. The credit shall be made not later than the March accounting Month statement sent to Shippers subsequent to the annual period. In the event there are OFO penalties and/or unauthorized overrun penalties assessed and no non-offending firm transportation Shippers for a given Month, the applicable credit amounts for that Month shall be booked to Account No. 495, Other Gas Revenues.
- (d) Transporter will calculate and credit to Shippers as appropriate, interest on monies collected pursuant to GT&C Sections 14.2(a) and (b). Such interest will be calculated in accordance with Section 154.501(d) of the Commission's regulations. In the event credits for a given Month are booked to Account No. 495 pursuant to GT&C Section 14.2(c), no interest will be computed or added to such credit amounts.

- 14.3 In the event Gas is surrendered under Rate Schedule PAL, Transporter will credit the value of such Gas, net of costs associated with the disposal of such Gas, to Shippers as a part of Transporter's penalty crediting mechanism described in Section 14.2(c).

REVENUE SHARING MECHANISM

15. REVENUE SHARING MECHANISM

Revenues collected by Transporter under Rate Schedules IT, PAL or associated with authorized overrun service during any calendar year shall be subject to the following sharing requirements.

- 15.1 Transporter shall retain all Rate Schedule IT, PAL and authorized overrun revenues collected attributable to:
 - (a) that portion of the applicable Rate Schedule IT, PAL or authorized overrun rates representing variable costs; and
 - (b) any applicable surcharges.
- 15.2 In the event Transporter receives interruptible transportation revenues in excess of the cost allocation described in Section 15.1 above in any one (1) Month, Transporter shall credit such excess revenues to those Shippers under Rate Schedule FT that are: (i) paying the maximum recourse rate; (ii) paying a negotiated rate; or (iii) identified as foundation customers in Transporter's FERC Certificate Application in CP15-525-000 (collectively "Qualifying Shippers") in the following manner. Each Qualifying Shipper shall be allocated a proportionate share of the interruptible transportation revenue credit based upon the relationship of the total maximum rate payments received from each qualifying Shipper and the total of all such maximum rate revenues received by Transporter for the Month in which the interruptible transportation revenues are collected, inclusive of any interest calculated pursuant to Section 154.501(d) of the Commission's regulations.
- 15.3 The revenues to be credited, if any, shall be credited to those Qualifying Shippers not later than April 15th of each year following the calendar year in which the revenues were collected, or if a credit cannot be applied, a cash refund shall be distributed.

RESERVATION CHARGE CREDIT

16. RESERVATION CHARGE CREDIT

- 16.1 No adjustments of any kind under this Section shall be required if Transporter's failure to deliver Gas is due solely to the conduct of others or events not controllable by Transporter (i.e., operating conditions on upstream or downstream facilities or Shipper's inability to obtain gas supplies or find a purchaser to take delivery of such supplies).
- 16.2 Unless otherwise agreed between Transporter and Shipper, no reservation charge adjustment shall be made with respect to any service nominated at Secondary or Flow Path Secondary receipt or delivery points. However, reservation charge credits shall be applicable to quantities scheduled to delivery points not listed as primary points on Shipper's TSA, to the extent Transporter is unable to schedule Shipper's nominated quantities due to a constraint occurring on the portion of the Primary Receipt-to-Delivery Flow Path utilized by that Shipper for that Gas Day.
- 16.3 Subject to GT&C Sections 16.1 and 16.2, in the event Transporter is unable to deliver quantities to which Shipper has firm entitlements on any Day at primary delivery point(s) under Rate Schedule FT, Transporter will provide a 100 percent reservation charge credit as set forth in GT&C Section 16.6 under the following circumstances:
- (a) During planned maintenance and other non-force majeure outage periods.
 - (b) During a force majeure event, declared pursuant to GT&C Section 11.3, beginning on the eighth Day of such event.
- 16.4 Subject to GT&C Sections 16.1 and 16.2, if Transporter fails to schedule Shipper's nominated and confirmed quantities pursuant to GT&C Section 16.4(a), Shipper shall receive a reservation charge adjustment. However, reservation charge credits will still be provided in situations where the upstream or downstream provider fails to confirm Shipper's nomination as the result of: (i) an event that also prevents Transporter from providing service on its facilities; or (ii) by a situation where Transporter would not be able to provide service on its facilities for an unrelated reason.
- (a) Reservation charge adjustments shall be based on the quantity Transporter fails to schedule up to Shipper's MDQ by the close of the Evening Nomination Cycle (i.e., Cycle 2), provided that Shipper's nominated, confirmed and scheduled quantities at the close of the Intraday 3 Nomination Cycle (i.e., Cycle 5) have not increased above Cycle 2 scheduled quantity levels. Should Shipper's nominated and confirmed quantities at the end of the Cycle 5 increase above Shipper's Cycle 2 nominated, confirmed and scheduled

quantities, reservation charge credits will be based on Shipper's nominated, confirmed and scheduled quantities at the end of Cycle 5.

- (b) In the event Shipper's nominated and confirmed quantities are curtailed by Transporter in the Timely Nomination Cycle (i.e., Cycle 1) and Shipper nominates the "un-scheduled" gas on a third-party pipeline, such Shipper shall receive a reservation charge adjustment for the curtailed amount. Shipper shall not be required to re-submit a nomination to Transporter in Cycle 2 to receive such reservation charge adjustment. Should Shipper's "un-scheduled" quantities be transported by Transporter in a subsequent intraday cycle, such Shipper's reservation charge adjustment will appropriately be reduced. Shipper shall provide a representation to Transporter that its nominated, confirmed and scheduled quantities on a third-party pipeline are the result of Transporter's inability to provide primary firm service.

16.5 Subject to GT&C Sections 16.1 through 16.3:

- (a) if notice of the outage is provided by Transporter (prior to the first opportunity to submit a scheduling nomination (i.e. before Cycle 1 nominations are due)), reservation charge credits shall be applied to the lesser of:
 - (i) the applicable MDQ; or
 - (ii) the difference between the quantities delivered and the average of the daily Gas quantities delivered for Shipper (but not to include quantities in excess of Shipper's MDQ), at Primary Point(s) in the seven (7) Day period immediately preceding a notice posted on Transporter's EBB announcing a non-force majeure outage or a force majeure outage pursuant to GT&C Section 11.3.
- (b) if notice of the outage is not provided by Transporter (prior to the first opportunity to submit a scheduling nomination (i.e. before Cycle 1 nominations are due)), reservation charge credits shall be applied to the lesser of:
 - (i) the applicable MDQ; or
 - (ii) the nominated and confirmed quantities that Transporter was not able to either schedule or deliver during a non-force majeure or a force majeure outage for which a reservation charge credit is eligible.

Transporter will provide a reservation charge adjustment as set forth in GT&C Section 16.6 for the period of the service interruption, as specified in GT&C Section 16.3.

- 16.6 The reservation charge specified in the TSA will be fully refunded for any service failures on each Day as described in GT&C Section 16.4 by an amount equal to the product of (1) the applicable quantity as determined pursuant to GT&C Section 16.5 and (2) the contract reservation rate per Dth, as converted for daily application and rounded to the nearest tenth of a cent.

- 16.7 Any adjustment under this Section 16 shall be credited against transportation charges for a future Month or refunded if the TSA has terminated. Corrections to credited amounts shall be resolved using the dispute procedures described in GT&C Section 12.4 and use the timelines described in GT&C Section 12.5.

MISCELLANEOUS SURCHARGES

17. MISCELLANEOUS SURCHARGES

17.1 Annual Charge Adjustment

- (a) Purpose. For the purpose of recovering annual charges assessed to Transporter by the Commission, pursuant to Part 382 of the Commission's Regulations, this Section 17 establishes an Annual Charge Adjustment (ACA) which shall be applicable to Transporter's Rate Schedules as set forth on the Statement of Rates of this Tariff.
- (b) Basis of the Annual Charge Adjustment. The Rate Schedules referred to in Section 17.1(a) shall include an increment for an Annual Charge Adjustment for the FERC's costs. Such ACA unit charge, as revised annually and posted in an annual notice issued each fiscal year by the Commission entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge" at (<http://www.ferc.gov>) is incorporated by reference into Transporter's FERC Gas Tariff.
- (c) All amounts assessed shall be recorded in Account No. 928.
- (d) The proposed effective date for new ACA charges shall be October 1 of each calendar year.

WAIVERS

18. WAIVERS

18.1 Penalty Waiver. Transporter may, in exercise of its reasonable discretion, and on a not unduly discriminatory basis, waive all or a part of any penalty which might otherwise apply. Transporter will report waivers in accordance with Part 358 of the Commission's Regulations.

18.2 Waivers of Past or Future Defaults.

- (a) Transporter may, from time to time and on a not unduly discriminatory basis, waive any of its rights hereunder and compliance with the provisions of this Tariff. All such waivers shall be limited to past defaults or other past occurrences or case-by-case in advance waivers addressing specific, short-term operational problems.
- (b) Transporter shall record any such waivers in a log, which shall be posted for public inspection on its EBB in accordance with Part 358 of the Commission's Regulations.

18.3 Non-Waiver of Future Defaults

Failure to exercise any rights under this Tariff shall not be considered a waiver of such right or of any rights in the future. No waiver of any one or more defaults by the other party in the performance of any of the provisions of this Tariff, or the provisions of any TSA incorporating the provisions of this Tariff, shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.

- 18.4 Waivers on Nominations. In the event a Shipper experiences an unexpected and extraordinary event beyond the control of Shipper that renders it unable to reasonably submit nominations and confirmations pursuant to GT&C Section 6, Transporter may waive, on a non-discriminatory basis, charges or penalties associated with such failure to reasonably nominate and confirm pursuant to GT&C Section 6 to the extent such waiver does not affect Transporter's operations or obligations to provide service to other Shippers.

DESCRIPTIVE HEADINGS/INTERPRETATIONS

19. DESCRIPTIVE HEADINGS/INTERPRETATIONS

- 19.1 The descriptive headings of the provisions of the TSA and of the GT&C are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.
- 19.2 All defined terms used herein shall apply equally to both the singular and plural forms of the terms defined. Whenever any context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.”

ELECTRONIC BULLETIN BOARD

20. ELECTRONIC BULLETIN BOARD (“EBB”)

- 20.1 Transporter's EBB is accessed through Transporter's designated Internet site(s). The EBB provides a portfolio of electronic business services to Shippers. The EBB is available on a non-discriminatory basis to any party that has compatible equipment. The EBB may be accessed on the Internet at www.sunburypipeline.com.
- 20.2 Transporter's EBB shall provide a means for a Releasing Shipper to release its firm transportation rights in accordance with GT&C Section 9.
- 20.3 Parties wishing to bid on released capacity shall post their bids through the EBB. Only those parties that have satisfied the creditworthiness requirements of GT&C Section 4.11 may submit a bid.
- 20.4 The EBB shall contain information concerning the availability of capacity:
 - (a) at receipt points;
 - (b) on the mainline;
 - (c) at delivery points; and
 - (d) whether the capacity is available from Transporter directly or through Transporter's Capacity Release Program set forth in GT&C Section 9.
- 20.5 Notice of Available Firm and Interruptible Capacity. Transporter will post on its EBB the availability of firm and interruptible capacity as required by Section 284.13(d) of the Commission's regulations.
- 20.6 Transporter may revoke a user's access and/or signature code if Transporter has good cause to believe that one of the following events has occurred:
 - (a) Fraudulent or unauthorized use of the signature or access code.
 - (b) An action resulting in a breach of security such as loss, theft or unauthorized disclosures or use of data contained on the EBB.
 - (c) Conduct that threatens the viable operations of the EBB, that wrongly interferes with the business transactions of another party or that in any way might threaten the integrity of Transporter's pipeline system.
- 20.7 EBB access, including historical data, shall be available to state regulatory commissions and state consumer advocates on the same basis as any other party.

- 20.8 Transporter shall maintain backup copies of the data contained on its EBB for three (3) years, which may be archived to off-line storage. Parties may access the on-line data directly through the EBB. In the event the data has been archived off-line, parties may request such data through the EBB's electronic mail service. Transporter will provide a computer disk containing archived data for a charge of \$50.00.
- 20.9 EBB users shall be allowed to download files so their contents can be reviewed in detail without tying up access to the EBB. Information on the most recent transactions shall be listed before older information. EBB users shall be able to split large files into smaller parts for ease of use. On-line help shall be available to assist the EBB users along with a search function allowing users to locate all information concerning a specific transaction, and menus that permit users to separately access notices of available capacity and standards of conduct information. Notwithstanding GT&C Section 20.8, Transporter shall retain its affiliate waiver log for five (5) years from the date of posting.
- 20.10 Transporter's currently effective Tariff, as revised from time to time, shall be posted on the EBB. Therefore, Transporter shall provide paper copies of the effective Tariff to Shippers and interested state commissions only when specifically requested.
- 20.11 Shippers desiring to exchange information using Transporter's designated Internet site must first enter into the appropriate trading partner agreement with Transporter.

AFFILIATE-RELATED INFORMATION

21. AFFILIATE-RELATED INFORMATION

Transporter is an interstate natural gas pipeline company that transports Gas for others pursuant to Subparts B and G of Part 284 and may be affiliated with corporations which may have marketing function employees as defined in Section 358 of the Commission's Regulations.

- 21.1 Shared facilities between Transporter's transmission function employees and the marketing function employees of Transporter's affiliate(s), if any, are posted on Transporter's EBB.

ADVERSE CLAIMS TO GAS

22. ADVERSE CLAIMS TO GAS

Notwithstanding GT&C Section 25.2, Shipper agrees to indemnify and hold harmless Transporter, its officers, agents, employees and contractors against any liability, loss or damage whatsoever, including litigation expenses, court costs and attorneys' fees, suffered by Transporter, its officers, agents, employees or contractors, where such liability, loss or damage arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity, public or private, asserting ownership of or an interest in the Gas tendered for transportation or the proceeds resulting from any sale of that Gas or any cash out of imbalances. The receipt and delivery of Gas by Transporter under the TSA shall not be construed to affect or change title to the Gas.

COMPLIANCE WITH 18 CFR, SECTION 284.12

23. Compliance with 18 CFR, Section 284.12

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.0, and the standards revised by Minor Corrections MC15003, MC15004, MC15005, MC15009 and MC15012, all marked with an asterisk [*], 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:

Pursuant to NAESB's Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver, as adopted by the NAESB Board of Directors on April 4, 2013, Transporter may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Transporter includes appropriate citations in the submission.

Transporter has elected to reproduce only the following Business Practices and Electronic Communication standards, NAESB WGQ Version 3.0, that are protected by NAESB's copyright. With respect to each reproduced standard (including any minor corrections), Transporter incorporates the following: © 2014 North American Energy Standards Board, Inc., all rights reserved.

<u>NAESB WGQ Standard</u>	<u>Tariff Record</u>
1.2.12	GT&C Sections 1.4 and 6.2
1.3.2 (i-vi)	GT&C Section 6.1
1.3.5*, 1.3.7, 1.3.11*	GT&C Section 6.2
1.3.15, 1.3.16	GT&C Section 13.7
1.3.19	GT&C Section 6.2
1.3.28, 1.3.29, 1.3.31	GT&C Section 13.7
1.3.32, 1.3.33*	GT&C Section 6.2
1.3.39	GT&C Section 1.4
1.3.51	GT&C Section 6.2
2.2.1	GT&C Section 10.6
2.3.7	GT&C Section 2.7
2.3.8	GT&C Section 2.10
2.3.11, 2.3.12, 2.3.14	GT&C Section 2.7
3.2.1	GT&C Section 1.5
3.3.25	GT&C Section 12.2
5.2.1	GT&C Section 1.7
5.2.2	GT&C Section 6.2
5.2.4	GT&C Section 1.35
5.2.5	GT&C Section 1.34
5.3.1, 5.3.2	GT&C Section 9.5
5.3.4	GT&C Section 9.11
5.3.13	GT&C Section 9.10
5.3.14, 5.3.16	GT&C Section 9.11

5.3.21, 5.3.22, 5.3.23

Statement of Rates Section 4

5.3.34

GT&C Section 6.2

5.3.44, 5.3.45

GT&C Section 9.12

5.3.51

GT&C Section 9.7

5.3.53, 5.3.54, 5.3.56*

GT&C Section 9.12

23. Compliance with 18 C.F.R., Section 284.12 Continued)

Standards Incorporated by Reference:

Additional Standards:

General:

Definitions:

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*

Nominations Related Standards:

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, 1.2.13, 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, 1.3.6, 1.3.8*, 1.3.9*, 1.3.13, 1.3.14, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.30, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.40, 1.2.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 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.

Datasets:

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

23. Compliance with 18 C.F.R., Section 284.12 (continued)

Flowing Gas Related Standards:

Definitions:

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, 2.3.9, 2.3.10, 2.3.13, 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, 2.4.17, 2.4.18

Invoicing Related Standards:

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, 3.3.26

Datasets:

3.4.1*, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

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, 4.3.4, 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, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 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, 4.3.83, 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

23. Compliance with 18 C.F.R., Section 284.12 (continued)

Capacity Release Standards:

Definitions:

5.2.3

Standards:

5.3.3, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.15, 5.3.18, 5.3.19, 5.3.20, 5.3.24, 5.3.25, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.52, 5.3.55, 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:

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

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

Standards for which Waiver, Extension of Time, or Variance to Comply has been granted:

NAESB WGQ Standard

Waiver, Extension of Time, or Variance

TAXES

24. TAXES

All production (including ad valorem-type production taxes), transportation, gathering, delivery, sales, severance, environmental, excise or any other taxes or assessments of any kind upon the Gas (including its emission or combustion) transported by Transporter, which are now or hereafter in existence or authorized for collection by any federal, state, local or other governmental agency or duly constituted authority, either directly or indirectly, shall be the sole responsibility of the Shipper which holds title to such Gas and shall be paid or caused to be paid by such Shipper. Transporter will notify Shipper(s) if it becomes aware of a potential new tax assessment and will discuss with Shipper(s) ways to address such change. If Transporter is required to pay or to collect any taxes or assessments of any kind based upon throughput or other volumetric measurement, Shippers shall, in addition to all other transportation charges or surcharges, reimburse Transporter for such taxes or assessments pro rata, based upon their respective shares of the throughput using the form of such tax (whether it is stated on a volumetric or thermal basis), unless Transporter, in its sole discretion, elects to include such amounts in its base rates.

INDEMNIFICATION/LIABILITY

25. INDEMNIFICATION/LIABILITY

- 25.1 Neither Transporter nor Shipper shall be liable to the other party for special, indirect, consequential (including loss of profits), incidental or punitive damages except to the extent such damages arise out of such party's gross negligence, willful misconduct, or bad faith actions.
- 25.2 Each party to the TSA shall bear responsibility for its own acts, errors or omissions connected in any way with the executed TSA causing damages or injuries of any kind to any third party, unless otherwise expressly agreed in writing between the parties in a not unduly discriminatory manner. Therefore, the offending party shall hold harmless and indemnify the non-offending party against any claim, liability, loss, or damage whatsoever suffered by any third party as a result of such offense. As used herein: the term "third party" shall mean a corporation or partnership entity or individual and its officers, agents, employees and contractors other than Transporter or Shipper or their respective officers, agents, employees, contractors, predecessors, successors, assigns, parents, subsidiaries, or affiliates; and, the phrase "damages or injuries of any kind" shall include litigation expenses, court costs, and attorneys' fees.

COMPLAINT PROCEDURES

26. COMPLAINT PROCEDURES

If an existing or potential Shipper has a complaint relating to any request for transportation service or any on-going transportation service, Shipper should complete the attached complaint form and should be mailed by registered or certified mail, or delivered by hand to the applicable contact listed in the “Points of Contact” section.

Transporter shall notify Shipper within 48 Hours that the complaint has been received. Each complaint will be noted on the transportation service complaint log. Each complaint shall be investigated, and Transporter shall inform Shipper in writing within thirty (30) Days of receipt of the complaint of the action, if any, taken in response to Shipper's complaint. Transporter shall maintain a separate file for all Shipper complaints and Transporter's responses.

SHIPPER COMPLAINT FORM

Name of Shipper:

Identification of contract under question:

Designation of time period involved:

Nature of complaint:

Signature _____

Title _____

OPERATIONAL PURCHASES AND SALES

27. OPERATIONAL PURCHASES AND SALES

- 27.1 Transporter may purchase or sell operational Gas to the extent necessary to maintain reliable system operations, including but not limited to system pressure, fuel quantities and line pack. With the exception of purchases of Emergency Gas, such purchases or sales shall have a lower scheduling priority than firm transportation service as set forth in GT&C Section 6.
- 27.2 Transporter's sales of operational Gas shall be unbundled from transportation service provided pursuant to Transporter's Tariff.
- 27.3 Transporter will post its operational sales quantities for bidding on its EBB in accordance with the applicable bidding provisions contained in GT&C Section 9.
- 27.4 Transporter will file an annual report indicating the source of the operational Gas purchased/sold, the date of such purchases/sales, volumes, the purchase/sale price, the costs and revenues from such purchases/sales and the disposition of the associated costs and revenues for all types of operational purchases and sales. Transporter will provide an explanation of the purpose of any operational purchase and/or sale and identification of the entities from which the pipeline purchases or sells operational gas. The initial data collection period will commence with the in-service of Transporter's System pursuant to Docket No. CP15-525 and continue through September 30, 2017. For each subsequent year, the collection period for the annual report will be the twelve Months ending September 30. Transporter will file such report no later than November 30 of each year.

28. [RESERVED]

FORMS OF SERVICE AGREEMENTS

Section 1	Rate Schedule FT
Section 2	Rate Schedule IT
Section 3	Rate Schedule PAL

FORM OF SERVICE AGREEMENT
FIRM TRANSPORTATION SERVICE AGREEMENT
(For Use Under Rate Schedule FT Service)

THIS FIRM TRANSPORTATION SERVICE AGREEMENT (For Use under Rate Schedule FT Service) (this "TSA") entered into as of the ____ day of _____, 20__ ("Effective Date"), by and between UGI SUNBURY, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter," and _____, a _____, hereinafter referred to as "Shipper" (each of Transporter and Shipper, a "Party," and collectively, the "Parties"). Capitalized terms used and not defined herein or in any Exhibit hereto shall have the meanings set forth in Transporter's FERC Gas Tariff.

W I T N E S S E T H

WHEREAS, Shipper has requested Transporter to provide Firm Transportation Service through the Sunbury Pipeline interstate natural gas pipeline system on Shipper's behalf (the "Pipeline"); and

WHEREAS, Transporter has sufficient capacity available on Transporter's system to provide Firm Transportation Service for Shipper on the terms specified herein;

NOW, THEREFORE, Transporter and Shipper agree as follows:

ARTICLE I
TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this TSA, Shipper may on any Day cause Gas to be tendered to Transporter at the Receipt Points up to Shipper's Maximum Daily Quantity ("MDQ") plus Retainage, and Transporter agrees to tender equivalent quantities of Gas to or for the account of Shipper, on a firm basis, at the Delivery Point.
2. If requested by Shipper, Transporter shall provide Transportation Service for daily quantities in excess of Shipper's MDQ if Transporter can do so without adverse effect on operation of the Pipeline or Pipeline's ability to meet all higher priority obligations.

ARTICLE II
POINTS OF RECEIPT/DELIVERY

1. On each Day during the term specified in Article III,
 - a. Shipper shall deliver or cause to be delivered Gas nominated hereunder plus Retainage as applicable, at any Receipt Point. Transporter agrees to accept on a firm basis the quantity nominated by Shipper at any Receipt Point (or any combination of Receipt Points) up to Shipper's MDQ, plus Retainage;
 - b. Transporter shall transport Shipper's nominated quantity of Gas on a firm basis from the Point of Receipt to the Point of Delivery; and
 - c. Transporter shall deliver to or for the account of Shipper, on a firm basis at the Delivery Point, equivalent quantities of Gas to the quantity nominated by Shipper at the Receipt Points.

2. The Receipt Point(s) and the Delivery Points(s) are identified in Exhibit 1. Additional Receipt and Delivery Points may be added to this TSA by agreement by the Parties or as stated in Exhibit 1.

ARTICLE III TERM OF AGREEMENT

This TSA shall remain in effect for a primary term of ____ [years/months], commencing _____, 20____ (the "Term"). This TSA shall [] shall not [] be subject to the right of first refusal set forth in Transporter's FERC Gas Tariff.

[Insert any evergreen or rollover provision; contractual rights of first refusal and/or related termination provisions, as applicable.]

ARTICLE IV RATE SCHEDULE AND CHARGES

1. Unless otherwise provided in a Negotiated Rate set forth in Exhibit 1, each Month, beginning [on the Effective Date] [on ____] Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule FT Service and the applicable provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff, as filed with the Commission. Section(s) ____ of Exhibit 1 hereto set(s) forth the applicable information as follows, which shall be utilized for transactions hereunder:

- a. Rates and Charges
- b. Additional pass-through charges which are applicable, if any.

When the level of any additional pass-through charges is changed pursuant to Commission authorization or direction, Transporter may unilaterally effect an amendment to Exhibit 1 to reflect such change(s) by so specifying in a written communication to Shipper.

2. It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate regulatory body for such changes to any rates, terms and conditions set forth herein, in any Rate Schedule FT Service or in the General Terms and Conditions of Transporter's FERC Gas Tariff, as may be found necessary to assure Transporter just and reasonable rates [provided, however, that no such changes shall affect any Negotiated Rate set forth in Exhibit 1]. Nothing herein contained shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Transporter's filing in whole or in part.

3. Further Agreement:

- a. Credit Requirements. For the period commencing on the Effective Date until the termination of this TSA in accordance with its terms, Shipper shall at all times during such period satisfy the credit requirements in Transporter's FERC Gas Tariff.
- b. [Setting forth any nonconforming provisions]

ARTICLE V NOTICE

Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this TSA or any notice which a Party may desire to give the other shall be in writing delivered personally, sent by facsimile (with transmission confirmation by sender's machine), sent by reliable delivery service (e.g., FedEx, UPS), or mailed by regular mail, effective as of the postmark date, to the post office address of the Party intended to receive the same, as the case may be, as follows:

Transporter: UGI Sunbury, LLC
One Meridian Boulevard; Suite 2C01
Wyomissing, PA 19610
Attention: Vice President – Midstream Assets and Services
Fax: (610) 374-1492

Shipper: _____

Attention: _____
Fax: _____

Or to such other address as one Party may designate by providing notice in writing to the other Party.

ARTICLE VI INCORPORATION BY REFERENCE

The provisions of Rate Schedule FT Service and the General Terms and Conditions (GT&C) of Transporter's FERC Gas Tariff are specifically incorporated herein by reference and made a part hereof. Terms defined in Rate Schedule FT Service or in the GT&C and used in this TSA shall be deemed to have the meaning given such terms in Rate Schedule FT Service and the GT&C.

ARTICLE VII MISCELLANEOUS

1. This TSA supersedes and cancels the following contract between the parties hereto effective _____: _____ *[If none, insert "None"]*

2. Replacement Shipper. *[If Shipper is a Replacement Shipper state identity of Releasing Shipper and Contract Number under which capacity is released. The offer of release issued by the Releasing Shipper is incorporated herein by reference.]*

Releasing Shipper: _____
Released Contract No.: _____

3. Assignment.

Unless otherwise provided in Transporter's FERC Gas Tariff, no assignment of this TSA, in whole or in part, shall be made without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld, conditioned or delayed.

4. Governing Law. THIS TSA AND THE LEGAL RELATIONS BETWEEN THE PARTIES WITH RESPECT TO THIS TSA ARE SUBJECT TO ALL APPLICABLE LAWS, RULES, AND REGULATIONS AND SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE RULES OF THAT STATE

CONCERNING CONFLICTS OF LAW TO THE EXTENT SUCH RULES REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. IN THE EVENT ANY ISSUE OR CLAIM ARISING FROM THIS TSA IS SUBJECT TO A PROCEEDING PROVIDING FOR A JURY, BOTH PARTIES HEREBY AGREE TO WAIVE ANY SUCH RIGHT OF JURY TRIAL OR HEARING TO THE FULLEST EXTENT ALLOWED BY LAW.

5. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT THAT ANY REMEDIES OR DAMAGES EXPLICITLY PROVIDED HEREIN COULD BE CHARACTERIZED AS SUCH, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS TSA FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE, OR FOR ANY LOST PROFITS, HOWEVER ARISING, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR LOST PROFITS.

6. Integration. This TSA sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this TSA. No modification of the terms and provisions of this TSA shall be made except by the execution by both Parties of a written agreement.

7. Waiver. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this TSA shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

8. Severability. If any provision of this TSA is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this TSA, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this TSA with a view to effecting its purpose.

9. No Presumption. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this TSA.

10. No Third-Party Beneficiaries. This TSA shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Transporter or Shipper.

IN WITNESS WHEREOF, the parties hereto have caused this TSA to be signed by their respective Officers or Representatives thereunto duly authorized.

UGI Sunbury, LLC

By _____
Its _____

Shipper

By: _____
Its _____

Exhibit 1
to
FIRM TRANSPORTATION SERVICE AGREEMENT UNDER RATE SCHEDULE FT
Service
between
Transporter
and
Shipper

Dated _____, _____

I. MAXIMUM DAILY QUANTITY: _____

II. POINT(S) OF RECEIPT

[List Point(s) of Receipt] *[list Dth/d and MHQ]*, plus applicable Retainage

[List any mutually agreed to receipt point pressures]

III. POINT(S) OF DELIVERY

[List Point(s) of Delivery] *[list Dth/d and MHQ]*

[List any mutually agreed to delivery point pressures]

Even if the sum of Shipper's Receipt Point entitlements at all Receipt Points exceeds its Maximum Daily Quantity, Shipper shall only be permitted to nominate daily transportation quantities from any Receipt Point (or any combination of Receipt Points) to the Delivery Point up to the level of Shipper's Maximum Daily Quantity on a firm basis unless overrun service is authorized by Transporter in accordance with its FERC Gas Tariff.

IV. RATES AND CHARGES

Check as applicable: ___ Discounted Rate ; ___ Negotiated Rate ; ___ Recourse Rate
plus:

Applicable pass through charges included in Transporter's FERC Gas Tariff Statement of Rates.

[for Discounted and Negotiated Rate agreements, list rates]:

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT

(For Use Under Rate Schedule IT Service)

THIS INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT (For Use under Rate Schedule IT Service) (this "TSA") entered into as of the ____ day of _____, 20____, by and between UGI SUNBURY, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter," and _____, a _____, hereinafter referred to as "Shipper" (each of Transporter and Shipper, a "Party," and collectively, the "Parties"). Capitalized terms used and not defined herein or in any Exhibit hereto shall have the meanings set forth in Transporter's FERC Gas Tariff.

W I T N E S S E T H

WHEREAS, Shipper has requested Transporter to provide Interruptible Transportation Service through the Sunbury Pipeline interstate natural gas pipeline system on Shipper's behalf (the "Pipeline"); and

WHEREAS, Transporter has sufficient capacity available on Transporter's system to provide Interruptible Transportation Service for Shipper on the terms specified herein;

NOW, THEREFORE, Transporter and Shipper agree as follows:

ARTICLE I
TRANSPORTATION SERVICE

Subject to the terms and provisions of this TSA, Shipper may on any Day cause Gas to be tendered to Transporter at the Receipt Points up to Shipper's Maximum Daily Quantity ("MDQ") plus Retainage, and Transporter agrees to tender equivalent quantities of Gas to or for the account of Shipper, on an interruptible basis, at the Delivery Point.

ARTICLE II
POINTS OF RECEIPT/DELIVERY

1. On each Day during the term specified in Article III,
 - a. Shipper shall deliver or cause to be delivered Gas nominated hereunder plus Retainage as applicable, at any Receipt Point. Transporter agrees to accept on a interruptible basis the quantity nominated by Shipper at any Receipt Point (or any combination of Receipt Points) up to Shipper's MDQ, plus Retainage;
 - b. Transporter shall transport Shipper's nominated quantity of Gas on an interruptible basis from the Point of Receipt to the Point of Delivery; and
 - c. Transporter shall deliver to or for the account of Shipper, on an interruptible basis at the Delivery Point, equivalent quantities of Gas to the quantity nominated by Shipper at the Receipt Points.
2. The Receipt Point(s) and the Delivery Points(s) are identified in Exhibit 1. Additional Receipt and Delivery Points may be added to this TSA by agreement by the parties or as stated in Exhibit 1.

ARTICLE III TERM OF AGREEMENT

This TSA shall remain in effect for a primary term of ____ [years/months], commencing _____, 20____ (the "Term"). This TSA shall not be subject to the right of first refusal set forth in Transporter's FERC Gas Tariff and does not qualify for a regulatory right of first refusal.

ARTICLE IV RATE SCHEDULE AND CHARGES

1. Unless otherwise provided in a Negotiated Rate set forth in Exhibit 1, each Month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule IT Service and the applicable provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff, as filed with the Commission. Section(s) ____ of Exhibit 1 hereto set forth the applicable information as follows, which shall be utilized for transactions hereunder:

- a. Rates and Charges
- b. Additional pass-through charges which are applicable, if any.

When the level of any additional pass-through charges is changed pursuant to Commission authorization or direction, Transporter may unilaterally effect an amendment to Exhibit 1 to reflect such change(s) by so specifying in a written communication to Shipper.

2. It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate regulatory body for such changes to any rates, terms and conditions set forth herein, in any Rate Schedule IT Service or in the General Terms and Conditions of Transporter's FERC Gas Tariff, as may be found necessary to assure Transporter just and reasonable rates *[provided, however, that no such changes shall affect any Negotiated Rate set forth in Exhibit 1]*. Nothing herein contained shall be construed to deny Shipper any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Transporter's filing in whole or in part.

3. Further Agreement:

a. Credit Requirements. For the period commencing on the Effective Date until the termination of this TSA in accordance with its terms, Shipper shall at all times during such period satisfy the credit requirements in Transporter's FERC Gas Tariff.

ARTICLE V NOTICE

Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this TSA or any notice which a Party may desire to give the other shall be in writing delivered personally, sent by facsimile (with transmission confirmation by sender's machine), sent by reliable delivery service (e.g., FedEx, UPS), or mailed by regular mail, effective as of the postmark date, to the post office address of the Party intended to receive the same, as the case may be, as follows:

Transporter: UGI Sunbury, LLC
One Meridian Boulevard; Suite 2C01
Wyomissing, PA 19610
Attention: Vice President – Midstream Assets and Services
Fax: (610) 374-1492

Shipper: _____

Attention: _____
Fax: _____

Or to such other address as one Party may designate by providing notice in writing to the other Party.

ARTICLE VI INCORPORATION BY REFERENCE

The provisions of Rate Schedule IT Service and the General Terms and Conditions (GT&C) of Transporter's FERC Gas Tariff are specifically incorporated herein by reference and made a part hereof. Terms defined in Rate Schedule IT Service or in the GT&C and used in this TSA shall be deemed to have the meaning given such terms in Rate Schedule IT Service and the GT&C.

ARTICLE VII MISCELLANEOUS

1. This TSA supersedes and cancels the following contract between the parties hereto effective _____: _____ *[If none, insert "None"]*
2. Governing Law. THIS TSA AND THE LEGAL RELATIONS BETWEEN THE PARTIES WITH RESPECT TO THIS TSA ARE SUBJECT TO ALL APPLICABLE LAWS, RULES, AND REGULATIONS AND SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE RULES OF THAT STATE CONCERNING CONFLICTS OF LAW TO THE EXTENT SUCH RULES REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. IN THE EVENT ANY ISSUE OR CLAIM ARISING FROM THIS TSA IS SUBJECT TO A PROCEEDING PROVIDING FOR A JURY, BOTH PARTIES HEREBY AGREE TO WAIVE ANY SUCH RIGHT OF JURY TRIAL OR HEARING TO THE FULLEST EXTENT ALLOWED BY LAW.
3. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT THAT ANY REMEDIES OR DAMAGES EXPLICITLY PROVIDED HEREIN COULD BE CHARACTERIZED AS SUCH, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS TSA FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE, OR FOR ANY LOST PROFITS, HOWEVER ARISING, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR LOST PROFITS.
4. Integration. This TSA sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this TSA. No modification of the terms and provisions of this TSA shall be made except by the execution by both Parties of a written agreement.

5. Waiver. No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this TSA shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

6. Severability. If any provision of this TSA is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this TSA, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this TSA with a view to effecting its purpose.

7. No Presumption. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this TSA.

8. No Third-Party Beneficiaries. This TSA shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Transporter or Shipper.

IN WITNESS WHEREOF, the parties hereto have caused this TSA to be signed by their respective Officers or Representatives thereunto duly authorized.

UGI Sunbury, LLC

By _____
Its _____

Shipper

By: _____
Its _____

Exhibit 1
to
INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT UNDER RATE SCHEDULE IT
Service
between
Transporter
and
Shipper

Dated _____, _____

I. MAXIMUM DAILY QUANTITY: _____

II. POINT(S) OF RECEIPT

[List Point(s) of Receipt]

[list MDQ in Dth/d], plus applicable Retainage

III. POINT(S) OF DELIVERY

[List Point(s) of Delivery]

[list MDQ in Dth/d]

Even if Shipper's Receipt Point entitlements at all Receipt Points exceed its Maximum Daily Quantity, Shipper shall only be permitted to nominate daily transportation quantities from any Receipt Point (or any combination of Receipt Points) to the Delivery Point up to the level of Shipper's Maximum Daily Quantity.

IV. RATES AND CHARGES

Check as applicable: ___ Discounted Rate ; ___ Negotiated Rate ; ___ Recourse Rate

[for Discounted and Negotiated Rate agreements, insert the rates]:

FORM OF INTERRUPTIBLE PARKING AND LENDING SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE PAL

Agreement No. _____

Interruptible Parking and Lending Service Agreement
Dated: _____

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: UGI SUNBURY, LLC
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff Original Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This agreement (Agreement) and the associated Park and Loan Service Request Order(s) ("PAL RO") in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement and the associated PAL RO(s) have the meanings given to them in the Tariff.
4. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC such changes in its rates and terms of service as it deems necessary, and this Agreement and the associated PAL RO(s) shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Parking and Lending Service: Upon Shipper's request Transporter may, on any Day and on an interruptible basis,
 - (a) hold (park) the quantity nominated to be parked for Shipper's account at the designated PAL Point(s) on the designated date(s) specified in Shipper's PAL RO upon approval from Transporter and withdraw of such quantity at the same point(s) on the designated date(s) in the PAL RO;
 - (b) advance (loan) quantities of Natural Gas nominated by Shipper at the PAL Point(s) on the designated date(s) specified in Shipper's PAL RO and approved by Transporter. Shipper shall pay back such advanced quantities on the designated date(s) at the same point(s) where the loan occurred as set forth in the PAL RO.
6. Rates and Surcharges: As set forth in the PAL RO.
7. Term of Parking and Lending Service: _____

This Agreement shall continue in full force and effect Month to Month thereafter unless terminated by written notice from one Party to the other upon 30-Day written notice. (Use only when applicable.)

8. Effect on Prior Agreement(s):_____.

9. Contact Information:

To Shipper:_____

Attn:_____

To Transporter:

See "Points of Contact" in the Tariff.

10. Governing Law: Transporter and Shipper expressly agree that the laws of the State of New York shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.

TRANSPORTER:

SHIPPER:

UGI Sunbury, LLC

Accepted and agreed to this Accepted and agreed to this

_____ day of _____, _____.

_____ day of _____, _____.

PAL SERVICE REQUEST ORDER ("PAL RO")
 related to
 INTERRUPTIBLE PARKING AND LENDING SERVICE AGREEMENT
 RATE SCHEDULE PAL
 between
 UGI SUNBURY, LLC
 and

 (Shipper)

Dated: _____

1. PAL Agreement No: _____ Type of Service: Park _____ Loan _____
2. Maximum PAL Quantity: _____ (Dth)
3. PAL Point(s): _____
4. Schedule: _____

Date(s) Service to be Provided
 (May Reflect a Range of Dates)

Daily PAL Quantity (Dth)
 (May Reflect a Range of Quantities) _____

From	Through	Park or Loan Payback		Loan or Park Withdrawal	
		Minimum	Maximum	Minimum	Maximum
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

5. Park and Loan Rates: Unless otherwise agreed by the Parties in this PAL RO, the Park and Loan Rates for service shall be Transporter's then effective maximum rates for service under Rate Schedule PAL or other superseding Rate Schedule, as such rates may be changed from time to time. Pursuant to this PAL RO or Rate Schedule PAL, and the GT&C of Transporter's FERC Gas Tariff, a discounted rate or a negotiated rate may apply pursuant to an agreement of the parties to this PAL RO. Rates may vary based on quantity, time period, etc.

From	Through	Rate Description	Rate
_____	_____	_____	_____
_____	_____	_____	_____

6. Negotiated Rate: Yes _____ No _____

7. Notices, Statements, and Bills:

To Shipper:

Invoices: _____

 Attn: _____

All Notices: _____

_____ day of _____, _____.

STATEMENT OF NEGOTIATED RATE TSAs

Shipper: Hummel Station, LLC*

Rate Schedule: FT

*For a statement of rates and all other terms, see Part VII, Nonconforming TSAs.

NONCONFORMING TSAs

Shipper

Hummel Station, LLC