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**Fourth Revised Sheet No. 0** Nautilus Pipeline Company, LLC: Original Volume No. 1  
Fourth Revised Sheet No. 0  
Superseding: Third Revised Sheet No. 0

FERC GAS TARIFF

Original Volume No. 1

of

NAUTILUS PIPELINE COMPANY, LLC

filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff should be addressed to:

Chris Kaitson  
Assistant Secretary  
Nautilus Pipeline Company, LLC  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
(713) 821-2000  
Fax (713) 821-2229



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**Second Revised Sheet No. 1** Second Revised Sheet No. 1 : Effective  
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**Third Revised Sheet No. 2** Third Revised Sheet No. 2 : Effective  
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**Seventh Revised Sheet No. 3** Seventh Revised Sheet No. 3

Superseding: Sixth Revised Sheet No. 3

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**Original Sheet No. 7** Original Sheet No. 7 : Effective

PRELIMINARY STATEMENT

Nautilus Pipeline Company, LLC is a natural gas company subject to the jurisdiction of the Federal Energy Regulatory Commission for the purpose of constructing, owning, and operating a natural gas pipeline extending from a platform in Ship Shoal Block 207, offshore Louisiana, to Garden City, St. Mary Parish, onshore Louisiana. Nautilus Pipeline Company, LLC provides transportation through its pipeline for all Shippers eligible for service under its Tariff.

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**Original Sheet No. 8** Original Sheet No. 8 : Effective

PRELIMINARY STATEMENT  
SYSTEM MAP

(not filed electronically)

Effective Date: 10/01/2009 Status: Effective  
FERC Docket: RP09-982-000

**Eleventh Revised Sheet No. 9** Eleventh Revised Sheet No. 9  
Superseding: Tenth Revised Sheet No. 9

STATEMENT OF RATES

APPLICABLE TO RATE SCHEDULES CONTAINED IN  
FERC GAS TARIFF ORIGINAL VOLUME No. 1  
(All Rates in \$/Dth)

Rate Schedule	Maximum Rate	Minimum Rate
Firm Services:		
FT-1		
Monthly Reservation	\$4.3134	\$0.0000
Authorized Overrun *	\$4.3134	
FT-2		
Conditional Reservation *	\$0.1418	\$0.0000
Usage \$0.1418	\$0.0000	
Authorized Overrun *	\$0.1418	\$0.0000
FT-3		
Conditional Reservation *	\$0.1418	\$0.0000
Usage \$0.1418	\$0.0000	
Authorized Overrun *	\$0.1418	\$0.0000
Preferred Short-Haul Service:		
PSH		
Usage \$0.07090	\$0.0000	
Interruptible Service:		
IT-1		
Usage \$0.1418	\$0.0000	
Other Charges		
Unauthorized Overruns:		
>5%	\$40.0000	

\* The Conditional Reservation charges and the Authorized Overrun charge are only applicable under the conditions specified in the respective Rate Schedules of this FERC Gas Tariff.

Pursuant to the General Terms and Conditions of this FERC Gas Tariff, the above maximum and minimum rates shall be increased to include any applicable surcharges, including the Annual Charge Adjustment (ACA). The current applicable ACA charge is \$0.0019.

*Effective Date: 12/01/1997    Status: Effective*  
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**Sheet Nos. 10-12** Sheet Nos. 10-12 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 10-12 are reserved for future use

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 13** Original Sheet No. 13 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

1. DEFINITIONS

The terms used in this Rate Schedule shall have the meaning set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

2. AVAILABILITY

This Rate Schedule is available to any Person (hereinafter called "Shipper") which has (a) requested service under this Rate Schedule; (b) satisfied the requirements of Section 10 of the GT&C of Transporter's Tariff; and (c) entered into a Service Agreement with Transporter for firm service under this Rate Schedule.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Service under this Rate Schedule shall be available on a daily basis for the transportation of quantities of Natural Gas up to the MDTQ set forth on Exhibit "A" to Shipper's FT-1 Service Agreement. All such quantities shall be received by Transporter at the Point(s) of Receipt and Thermally Equivalent Quantities shall be delivered to Shipper or for Shipper's account at the Point(s) of Delivery specified on Exhibit "A" to Shipper's FT-1 Service Agreement. Service under this Rate Schedule shall be firm except as provided in this Rate Schedule, the GT&C of Transporter's Tariff, and the executed Service Agreement. Service under this Rate Schedule shall not commence until Transporter and Shipper have executed an FT-1 Service Agreement.

3.2 Transporter shall have no obligation to add any facilities or expand the capacity of its Pipeline Facilities above the initial certificated capacity in any manner in order to provide transportation service under this Rate Schedule.



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**Original Sheet No. 14** Original Sheet No. 14 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

3. APPLICABILITY AND CHARACTER OF SERVICE con't
  - 3.3 Nominations and scheduling of service under this Rate Schedule shall be in accordance with the procedures set out in Sections 11 and 12 of the GT&C of Transporter's Tariff.
  - 3.4 Allocations of capacity shall be determined in accordance with Section 10 of the GT&C of Transporter's Tariff.
4. POINTS OF RECEIPT AND DELIVERY, UNIFORM QUANTITIES
  - 4.1 The Point(s) of Receipt into Transporter's Pipeline Facilities shall be specified on Exhibit "A" to the FT-1 Service Agreement. Exhibit "A" to Shipper's Service Agreement may be superseded from time to time by a new Exhibit "A" to add or delete specific Point(s) of Receipt or make other changes thereto upon which the parties agree. Transporter shall not be obligated to accept any additional Point(s) of Receipt if to do so, in the sole judgment of Transporter, would impair Transporter's ability to satisfy existing firm obligations under this Rate Schedule, Rate Schedule FT-2, or Rate Schedule FT-3.
  - 4.2 The Point(s) of Delivery out of Transporter's Pipeline Facilities shall be specified on Exhibit "A" to the FT-1 Service Agreement. Exhibit "A" to Shipper's Service Agreement may be superseded by a new Exhibit "A" to add or delete specific Point(s) of Delivery or make other changes upon which the parties agree.
  - 4.3 As nearly as practicable, Shipper shall deliver or cause to be delivered into Transporter's Pipeline Facilities Natural Gas in uniform hourly quantities during each Day.

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**Original Sheet No. 15** Original Sheet No. 15 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

5. AUTHORIZED OVERRUN

On any Day when capacity is available, Shipper may elect, with the prior approval of Transporter, to ship quantities in excess of its MDTQ, but not to exceed one hundred twenty percent (120%) of shipper's MDTQ. Such quantities shall be deemed to be Authorized Overrun and shall be separately nominated by shipper.

6. RATES AND CHARGES

6.1 The applicable maximum and minimum rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 9 of Transporter's Tariff and are incorporated herein by reference. The rates under this Rate Schedule are subject to adjustment pursuant to Section 27 of the GT&C of Transporter's Tariff and to change pursuant to Shipper's effective Rate Schedule FT-1 Service Agreement.

6.2 Service hereunder shall be subject to the following charges:

- (a) A reservation charge equal to the product of the applicable maximum Rate Schedule FT-1 Reservation Rate shown on the currently effective Sheet No. 9 of Transporter's Tariff or such discounted rate offered to Shipper by Transporter pursuant to Section 27.1 of the GT&C of Transporter's Tariff multiplied by the MDTQ specified in Shipper's executed FT-1 Service Agreement.
- (b) A usage charge equal to the product of the applicable maximum Usage Rate shown on the currently effective Sheet No. 9 of Transporter's Tariff multiplied by the quantity of Natural Gas received by Transporter from Shipper or for Shipper's account in the Month;

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FERC Docket: CP96-790-003

**Original Sheet No. 16** Original Sheet No. 16 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

6. RATES AND CHARGES con't

- (c) A new facilities charge equal to an amount agreed upon between Shipper and Transporter for facilities constructed at Shipper's request in order to provide transportation service under this Rate Schedule as provided in Section 28 of the GT&C of Transporter's Tariff;
- (d) Incidental charges necessary to recoup regulatory filing fees or similar fees incurred by Transporter in rendering service under this Rate Schedule; and
- (e) Any applicable surcharges or penalties or other charges due to Transporter under the terms of this Rate Schedule, Shipper's Rate Schedule FT-1 Service Agreement and the General Terms and Conditions.

7. LOSS AND UNACCOUNTED FOR GAS

Shipper shall provide at the point(s) of Receipt its pro rata share of Transporter's Use Gas in-kind.

8. MONTHLY BILL

The monthly bill for Natural Gas transportation under this Rate Schedule shall be equal to the sum of the charges set forth in Section 6 above.

9. RELEASE OF FIRM CAPACITY

Any Shipper receiving service under this Rate Schedule FT-1 shall have the right on a permanent or temporary basis to release its firm capacity rights in accordance with Section 22 of the GT&C of Transporter's Tariff.

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**Original Sheet No. 17** Original Sheet No. 17 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

10. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of Natural Gas under this Rate Schedule FT-1 shall be determined in accordance with the provisions of Section 14 of the GT&C of Transporter's Tariff.

11. IMPAIRMENT OF RECEIPTS AND DELIVERIES

In the event that Transporter, on any Day, is unable to receive and/or deliver the total nominations of all Shippers under any Rate Schedule of Transporter's Tariff, Transporter shall limit receipts and/or deliveries of Natural Gas in accordance with Section 13 of the GT&C of Transporter's Tariff.

12. RESERVATION CHARGE CREDIT

Shipper's reservation charge under Section 6.2(a) of this Rate Schedule shall be reduced by an amount equal to the reservation charge for each unit calculated on a 100% load factor basis multiplied by the quantity of Natural Gas which Shipper nominates and tenders for delivery at the Point(s) of Receipt specified hereunder for transportation through Transporter's Pipeline Facilities but which is not transported by Transporter, unless Transporter's failure to transport is the result of (i) the failure of Shipper's Natural Gas to meet the quality specifications of Section 3 of the GT&C of Transporter's Tariff, (ii) Transporter's determination that delivery of Shipper's nominated quantities cannot be made at the designated Point(s) of Delivery, or (iii) Transporter's determination that Shipper's title or right to deliver Natural Gas to Transporter is questioned or involved in any action.

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FERC Docket: CP96-790-003

**Original Sheet No. 18** Original Sheet No. 18 : Effective

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

13. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm Shippers.

14. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

15. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and the service provided hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. As between this Rate Schedule and a Service Agreement under this Rate Schedule, in the event of a conflict, the specific provision of this Rate Schedule, unless otherwise specifically provided, shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

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**First Revised Sheet No. 19** First Revised Sheet No. 19  
Superseding: Original Sheet No. 19

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

16. TERMINATION OF SERVICE AGREEMENT

16.1 If Shipper fails to make the payments due to Transporter under this Rate Schedule in accordance with Section 8 of the GT&C of Transporter's Tariff, then following sixty (60) Days' notice to Shipper by Transporter of its intent to terminate Shipper's Rate Schedule FT-1 Service Agreement by reason of such non-payment, Transporter shall have the right, in addition to any and all other remedies available at law or in equity, to terminate Shipper's Service Agreement hereunder if Shipper fails to cure such non-payment within such sixty (60) Day period. Provided, however, if Shipper, in good faith, disputes the amount of any such bill or portion thereof and pays to Transporter in a timely manner such amounts as it concedes to be correct, Transporter shall not have the right to terminate Shipper's Service Agreement; provided, however, Transporter shall have all of the rights set out in Section 8 of the GT&C of Transporter's Tariff.

16.2 If either Shipper or Transporter fails to cure an event of force majeure within ninety (90) Days of having provided notice to the other party of the existence of a condition of force majeure declared in accordance with Section 25 of the GT&C of Transporter's Tariff, then, the party not claiming force majeure may upon providing thirty (30) Days notice to the other party in accordance with Section 9 of the GT&C of Transporter's Tariff, terminate the Rate Schedule FT-1 Service Agreement as to which the event of force majeure relates. Provided, however, Shipper shall have one hundred eighty (180) Days to cure an event of force majeure affecting production at depths of two hundred (200) meters or greater; and, provided further, if the party declaring force majeure has been diligently pursuing a cure of the force majeure event during such ninety (90) or one hundred eighty (180) Day cure period specified above but has not cured the force majeure event by the close of such period, then the termination rights of this Section shall not apply so long as such diligent pursuit continues.

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**Original Sheet No. 20** Original Sheet No. 20 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

1. DEFINITIONS

The terms used in this Rate Schedule shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

2. AVAILABILITY

This Rate Schedule is available to any Person (hereinafter called "Shipper") which has (a) requested service under this Rate Schedule; (b) satisfied the requirements of Section 10 of the GT&C of Transporter's Tariff, (c) made a Commitment consistent with Section 3 of this Rate Schedule; (d) demonstrated to Transporter's satisfaction that at the time the Natural Gas included within the Commitment is produced, such Natural Gas is, or will be, physically capable of being received into Transporter's Pipeline Facilities at one or more Point(s) of Receipt and delivered out of Transporter's Pipeline Facilities at one or more Point(s) of Delivery; and (e) entered into a Service Agreement with Transporter for firm service under this Rate Schedule.

3. COMMITMENT

3.1 Every request for service under this Rate Schedule shall include Shipper's commitment to deliver into and ship through Transporter's Pipeline Facilities for the life of the reserves, all Natural Gas (in excess of Natural Gas required by Shipper for use on its Leases) produced by or for the account of Shipper, or any Affiliate thereof, attributable to Shipper's Leasehold Interest(s) in specifically identified OCS Field(s) which OCS Field(s) and Leasehold Interest(s) shall be listed on Exhibit "A" to Shipper's Rate Schedule FT-2 Service Agreement ("Commitment"). Shipper's Commitment may include more than one OCS Field but, in no event, shall Shipper's Commitment to any single Rate Schedule

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**Original Sheet No. 21** Original Sheet No. 21 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

FT-2 Service Agreement be less than all of Shipper's Leasehold Interest(s) in each OCS Field listed on Exhibit "A" to Shipper's Rate Schedule FT-2 Service Agreement, as Exhibit "A" may be amended from time to time.

- 3.2 Shipper's Commitment included in its request for service under this Rate Schedule shall be accompanied by a life of reserves monthly production profile for all proven reserves included within Shipper's Commitment and shall designate Shipper's requested Maximum Daily Transportation Quantity ("MDTQ") to be in effect during each Contract Quarter of each Contract Year throughout the term of its Rate Schedule FT-2 Service Agreement.
- 3.3 Shipper's life of reserves production profile shall be accompanied by either (a) technical data necessary to support the production profile and demonstrate that Shipper's requested MDTQs are supported by the production profile; provided, however, Shipper shall not be required to supply to Transporter data of a confidential nature; or (b) a report issued by one of the engineering firms listed on Appendix "A" to this Rate Schedule supporting Shipper's production profile and requested MDTQs.
- 3.4 If Shipper elects to establish its life of reserves production profile and MDTQs with a report from an independent engineering firm in accordance with Section 3.3(b) of this Rate Schedule, then the cost of such report shall be borne by the Shipper. The production profile and MDTQs established in such report shall be binding on both Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule.



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**Original Sheet No. 22** Original Sheet No. 22 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.5 If Shipper submits its life of reserves production profile and supporting technical data to Transporter in accordance with Section 3.3(a) of this Rate Schedule and Transporter determines that (1) the data supplied are insufficient to permit Transporter to assess the reasonableness of Shipper's production profile and MDTQs; or (2) Shipper's production profile is not reasonable or the requested MDTQs are not supported by Shipper's production profile, then Transporter and Shipper shall make a good faith attempt to agree on a production profile and MDTQs which, when agreed upon, shall be binding on Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule. If Transporter and Shipper cannot reach agreement on such production profile and MDTQs, then Shipper shall submit all technical data supporting Shipper's production profile and the requested MDTQs, including data considered to be confidential and, therefore, not provided to Transporter under Section 3.3(a), to one of the engineering firms listed on Appendix "A" to this Rate Schedule which engineering firm, in consultation with Shipper, shall issue a report establishing Shipper's production profile and MDTQ(s). The production profile and MDTQs established in the report shall be binding on Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule. All costs and fees due to the engineering firm with respect to the development of the production profile and MDTQs under this Section 3.5 shall be shared equally between Shipper and Transporter unless Shipper determines not to contract for service under this Rate Schedule or Rate Schedule FT-3, in which event Shipper shall bear all such costs and fees.

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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.6 If Shipper submits its production profile and requested MDTQs to an independent engineering firm in accordance with Section 3.5 of this Rate Schedule and, upon receipt of the binding engineering report Shipper believes that the MDTQs set forth therein are inadequate to permit delivery of all of Shipper's Natural Gas production from the OCS Field(s) and Leasehold Interest(s) committed to its Rate Schedule FT-2 Service Agreement, then, upon Shipper's request, Transporter shall offer to Shipper a service agreement under Rate Schedule FT-1 for the incremental MDTQs that Shipper requests. Except pursuant to Section 11.1 or where Shipper becomes a Replacement Shipper through the capacity release programs available under this Rate Schedule and Rate Schedules FT-1 or FT-3, only in this limited circumstance may Shipper receive an FT-1 Service Agreement for production included within the OCS Field(s) identified on Exhibit "A" to its Rate Schedule FT-2 Service Agreement. Any such FT-1 Service Agreement shall be for a term of not less than one year, shall have the same Contract Year as the Rate Schedule FT-2 Service Agreement covering production from the same OCS Field(s), and shall establish a rate equal to the rate charged for service under the Shipper's Rate Schedule FT-2 Service Agreement covering production from the same OCS Field(s). After one Contract Year under the Rate Schedule FT-1 Service Agreement, Shipper may terminate its Rate Schedule FT-1 Service Agreement and, if firm capacity is available on Transporter's Pipeline Facilities, increase the MDTQs under its Rate Schedule FT-2 Service Agreement by an amount equal to Shipper's actual average daily throughput under its Rate Schedule FT-1 Service Agreement.

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**First Revised Sheet No. 24** First Revised Sheet No. 24 : Effective  
Superseding: Original Sheet No.24

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.7 Notwithstanding anything herein to the contrary, during periods of routine repair and maintenance in which Transporter curtails, interrupts, or discontinues service as described in Section 25.4 of the GT&C of Transporter's Tariff, Shipper shall be temporarily released from that portion of its Commitment under this Rate Schedule as is tendered by Shipper to Transporter but which cannot be transported by Transporter on any Day up to Shipper's MDTQ for such Day.

3.8 A Shipper may elect to be released from its commitment under Section 3.1 of the Rate Schedule FT-2 if, and only to the extent that, the natural gas production previously committed to Transporter has been permanently released from dedication to an upstream pipeline that interconnects with Transporter's Pipeline Facilities and through which committed production is delivered into Transporter's Pipeline Facilities. A Shipper making such an election shall provide written notice of its election to Transporter in the form of an affidavit signed by Shipper that identifies (i) the volumes of natural gas production previously committed to Transporter that have been permanently released from dedication to an upstream pipeline that interconnects with Transporter's Pipeline Facilities, (ii) the upstream interconnecting pipeline that has released such volumes from dedication to its pipeline, and (iii) the effective date of the release from the upstream pipeline. Upon receipt of said notice by Transporter in satisfaction of the requirements of this Section 3.8, Shipper shall be deemed released from its commitment under Section 3.1 of the Rate Schedule FT-2, unless the date of effective release from the upstream pipeline is later, in which case, such later date will be the effective date for release of dedicated production from Transporter's Pipeline Facilities.

4. APPLICABILITY AND CHARACTER OF SERVICE

4.1 Service under this Rate Schedule shall be available on a daily basis for the transportation of quantities of Natural Gas up to the MDTQs set forth on Exhibit "B" to Shipper's FT-2 Service Agreement. All such quantities shall be received by Transporter at the Point(s) of Receipt and Thermally Equivalent Quantities shall be delivered to Shipper at the Point(s) of Delivery specified on Exhibit "B" to Shipper's Rate Schedule FT-2 Service Agreement. Service under this Rate Schedule shall be firm except as provided in this Rate Schedule, the GT&C of Transporter's Tariff, and Shipper's executed Service Agreement. Service under this Rate Schedule shall not commence until Transporter and Shipper have executed an FT-2 Service Agreement. If service under this Rate Schedule has not commenced within thirty-six (36) Months of the later of Shipper's Request Date or the in-service date of Transporter's Pipeline Facilities, Shipper's request for service and any Rate Schedule FT-2 Service Agreement entered into pursuant to such request shall become null and void and of no further legal effect.

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**First Revised Sheet No. 25** First Revised Sheet No. 25  
Superseding: Original Sheet No. 25

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

4. APPLICABILITY AND CHARACTER OF SERVICE con't

4.2 Transporter shall have no obligation to accept any Natural Gas for transportation under this Rate Schedule FT-2 other than Natural Gas produced from the OCS Field(s) and Leasehold Interest(s) identified on Exhibit "A" to Shipper's FT-2 Service Agreement.

4.3 Transporter shall have no obligation to add any facilities or expand the capacity of its Pipeline facilities beyond the initial certificated capacity in any manner in order to provide transportation service under this Rate Schedule.

4.4 Nominations and scheduling of service under this Rate Schedule shall be in accordance with the procedures set out in Sections 11 and 12 of the GT&C of Transporter's Tariff.

4.5 Allocations of capacity shall be determined in accordance with Section 10 of the GT&C of Transporter's Tariff.

5. THROUGHPUT COMMITMENT

5.1 Shipper shall ship through Transporter's Pipeline Facilities under this Rate Schedule each Contract Year its "Throughput Commitment" which shall equal at least eighty-five percent (85%) of Shipper's contract entitlement for the relevant Contract Year. Shipper's contract entitlement for any given Contract Year shall be equal to the sum of the products of the MDTQ set forth on Exhibit "B" to its Service Agreement for each of the four (4) Contract Quarters of the relevant Contract Year multiplied by the number of Days in each such Contract Quarter. Provided, however, for the first Contract Year of service under its Rate Schedule

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**First Revised Sheet No. 26** First Revised Sheet No. 26  
Superseding: Original Sheet No. 26

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

5. THROUGHPUT COMMITMENT con't

FT-2 Service Agreement Shipper's Throughput Commitment shall be equal to eighty-five percent (85%) of the sum of the product of the MDTQs for the third and fourth Contract Quarters multiplied by the number of Days in each respective Contract Quarter. Failure to satisfy the Throughput Commitment may subject Shipper to the payment of the conditional reservation charge or a reduction of capacity under Sections 8.2(e) and 11.2, respectively, of this Rate Schedule.

5.2 For purposes of determining whether Shipper has satisfied its Throughput Commitment under Section 5.1, above, Shipper's throughput for the Contract Year shall include (a) any quantity of Natural Gas which Shipper tenders for delivery and which is transported by Transporter under this Rate Schedule FT-2 up to Shipper's MDTQ; (b) any quantity of Natural Gas which Shipper nominates and tenders for delivery under its Rate Schedule FT-2 Service Agreement at the Point(s) of Receipt but which is not transported by Transporter unless Transporter's failure to transport is the result of (i) the failure of Shipper's Natural Gas to meet the quality specifications of Section 3 of the GT&C of Transporter's Tariff, (ii) Transporter's determination that delivery of Shipper's nominated quantities cannot be made at the designated Point(s) of Delivery, or (iii) Transporter's determination that Shipper's title or right to deliver Natural Gas to Transporter is questioned or involved in any action; (c) all quantities of Natural Gas shipped by Shipper as Authorized Overrun under Section 7 of this Rate Schedule; and (d) all quantities of capacity released by Shipper under Section 14 of this Rate Schedule.

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**Original Sheet No. 27** Original Sheet No. 27 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

6. POINTS OF RECEIPT AND DELIVERY, UNIFORM QUANTITIES

6.1 The Point(s) of Receipt into Transporter's Pipeline Facilities shall be specified on Exhibit "B" to Shipper's FT-2 Service Agreement. Exhibit "B" may be superseded from time to time by a new Exhibit "B" to add or delete specific Point(s) of Receipt or to make other changes thereto which the parties deem appropriate. Transporter shall not be obligated to accept any additional Point(s) of Receipt if to do so, in the sole judgment of Transporter, would impair Transporter's ability to satisfy existing firm obligations under this Rate Schedule or any other firm Rate Schedule.

6.2 The Point(s) of Delivery out of Transporter's Pipeline Facilities shall be specified on Exhibit "B" to the FT-2 Service Agreement. Exhibit "B" may be superseded by a new Exhibit "B" to add or delete specific Point(s) of Delivery or to make other changes thereto upon which the parties agree.

6.3 As nearly as practicable, Shipper shall deliver into Transporter's Pipeline Facilities Natural Gas in uniform hourly quantities during each Day.

7. AUTHORIZED OVERRUN

7.1 On any Day when capacity is available, Shipper may elect, with the prior approval of Transporter, to ship quantities in excess of its MDTQ. Such quantities shall be deemed to be Authorized Overrun and shall be separately nominated by Shippers.

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**First Revised Sheet No. 28** First Revised Sheet No. 28  
Superseding: Original Sheet No. 28

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

7. AUTHORIZED OVERRUN con't

7.2 Except as provided in the last sentence of this Section 7.2, if, over any consecutive ninety (90) Day period during which Transporter's pipeline is not fully subscribed on a firm basis, Shipper ships through Transporter's Facilities a quantity of Natural Gas in excess of 120% of the sum of Shipper's applicable MDTQs for each Day of the ninety (90) Day period then Transporter shall have the right to require Shipper to make an election to increase its quarterly MDTQs for the balance of the Contract Year by (a) a quantity equal to the percentage increase in actual shipments under its Rate Schedule FT-2 Service Agreement for such ninety (90) Day period over the sum of Shipper's applicable MDTQs for each Day of the ninety (90) Day period, or (b) a quantity equal to the difference between the quantity actually shipped by Shipper under its Rate Schedule FT-2 Service Agreement during said ninety (90) Day period and the sum of Shipper's applicable MDTQs for each Day of such ninety (90) Day period. Shipper shall be required to make its election upon receipt of Transporter's notice provided in accordance with Section 9 of the GT&C of Transporter's Tariff. Notice of Shipper's election shall be provided to Transporter in accordance with Section 9 of the GT&C of Transporter's Tariff the next Day following receipt of Transporter's notice and the increase shall become effective on the first Day of the Contract Quarter next following Transporter's notice to Shipper. The increase shall remain in effect for the balance of the Contract Year. In the event that Shipper fails to make a timely election following receipt of Transporter's notice, Shipper shall be deemed to have elected to increase its MDTQs in accordance with the methodology set forth in (a) above. This Section 7.2 shall not apply during the first and second Contract Quarters of the first Contract Year of service under Shipper's Rate Schedule FT-2 Service Agreement.

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**First Revised Sheet No. 29** First Revised Sheet No. 29 : Effective  
Superseding: Original Sheet No. 29

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

8. RATES AND CHARGES

8.1 The applicable maximum and minimum rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 9 of Transporter's Tariff and are incorporated herein by reference. The rates under this Rate Schedule are subject to adjustment pursuant to Section 27 of the GT&C of Transporter's Tariff and Shipper's effective FT-2 Service Agreement.

8.2 Service hereunder shall be subject to the following charges:

- (a) A usage charge equal to the applicable maximum rate for service under this Rate Schedule as set forth on the currently effective Sheet No. 9 of Transporter's Tariff or such discounted rate offered to Shipper by Transporter pursuant to Section 27.1 of the GT&C of Transporter's Tariff for each Dth of Natural Gas received by Transporter from Shipper under this Rate Schedule.
- (b) A new facilities charge equal to an amount agreed upon between Shipper and Transporter for facilities constructed at Shipper's request in order to provide transportation service under this Rate Schedule as provided in Section 28 of the GT&C of Transporter's Tariff;
- (c) Incidental charges necessary to recoup regulatory filing fees or similar fees incurred by Transporter in rendering service under this Rate Schedule;



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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

8. RATES AND CHARGES con't

- (d) An Authorized Overrun charge for each MMBtu of Natural Gas shipped pursuant to Section 7 of this Rate Schedule equal to the maximum rate for such service under this Rate Schedule as set forth on the currently effective Sheet No. 9 of Transporter's Tariff or such discounted rate offered to Shipper by Transporter pursuant to Section 27.1 of the GT&C of Transporter's Tariff;
- (e) For any Contract Year in which Shipper (1) does not satisfy the Throughput Commitment of Section 5.1 of this Rate Schedule, and (2) does not elect to reduce its capacity entitlement pursuant to Section 11.2 of this Rate Schedule a conditional reservation charge equal to the Daily Conditional Reservation rate stated on the currently effective Sheet No. 9 of Transporter's Tariff or such lesser rate charged to Shipper under Section 8.2(a), above, multiplied by a quantity of Natural Gas equal to the difference between the quantity of Natural Gas that would have been shipped by Shipper under its Rate Schedule FT-2 Service Agreement had Shipper shipped one hundred percent (100%) of its MDTQ each Day of such Contract Year and the actual quantity of Natural Gas shipped by Shipper under its Rate Schedule FT-2 Service Agreement in such Contract Year as determined by Section 5.2 of this Rate Schedule;
- (f) For each Dth of capacity released by Shipper to a Replacement Shipper under Section 14 of this Rate Schedule an amount equal to the Conditional Reservation charge for service under this Rate Schedule as set forth on the currently effective Sheet No. 9 of Transporter's Tariff less any amounts credited to Shipper pursuant to Section 22.5 of GT&C; and

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**First Revised Sheet No. 31** First Revised Sheet No. 31  
Superseding: Original Sheet No. 31

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

8. RATES AND CHARGES con't

(g) Any applicable surcharges, penalties, or other charges due to Transporter under the terms of this Rate Schedule, Shipper's Rate Schedule FT-2 Service Agreement, and the GT&C of Transporter's Tariff.

9. LOSS AND UNACCOUNTED FOR GAS

Shipper shall provide at the Point(s) of Receipt its pro rata share of Transporter's Use Gas in-kind.

10. MONTHLY BILL

The monthly bill for Natural Gas transportation under this Rate Schedule shall be equal to the sum of the applicable charges set forth in Section 8 above.

11. REDUCTIONS IN CAPACITY

11.1(a) Shipper may request a reduction in its quarterly MDTQs for any or all future Contract Years by giving Transporter written notice at least six (6) Months' prior to the beginning of any Contract Quarter; provided that (a) the request is based on production declines or delays due to field production performance problems or changes in development plans or drilling rig schedules; and (b) the requested reduction shall be accompanied by a revised production profile supported by bona fide field production data or evidence of the operational change underlying the request. The revised production profile shall reflect the impact, if any, of the requested reduction on future periods.

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**First Revised Sheet No. 32** First Revised Sheet No. 32  
Superseding: Original Sheet No. 32

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

11. REDUCTIONS IN CAPACITY con't

(b) Transporter shall grant the requested reduction if Transporter agrees that it is adequately supported by Shipper's data. However, if Shipper and Transporter fail to agree on a new production profile within thirty (30) Days following Shipper's requested reduction, Shipper shall submit Shipper's proposed production profile and supporting data to one of the engineering firms listed on Appendix "A" to Rate Schedule FT-2. The engineering firm shall prepare a report, including a production profile based on its analysis of the supporting data and reflecting the impact of the requested reduction on future period MDTQs, which shall be binding on Shipper and Transporter for purposes of establishing Shipper's requested MDTQs under this Rate Schedule. All costs and fees due to the engineering firm with respect to the development of the production profile and MDTQs shall be shared equally between Shipper and Transporter.

(c) If Shipper believes that the MDTQs contained in the engineering report are inadequate to permit delivery of all of Shipper's Natural Gas production from the OCS Field(s) and Leasehold Interest(s) committed to this Rate Schedule under

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**First Revised Sheet No. 33** First Revised Sheet No. 33  
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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

11. REDUCTIONS IN CAPACITY con't

Shipper's FT-2 Service Agreement, Shipper shall be entitled to FT-1 service for the incremental MDTQs that Shipper requests pursuant to Section 3.6 of this Rate Schedule. If Shipper executes an FT-1 Service Agreement to supplement the FT-2 MDTQs prescribed by the engineering firm and, during the first Contract Quarter of service under its Rate Schedule FT-1 Service Agreement, Shipper's total throughput exceeds its FT-2 MDTQ, then Transporter shall have the option to increase Shipper's MDTQ under its FT-2 Service Agreement by the amount of such incremental MDTQs and, if Transporter fails to provide such increase in Shipper's Rate Schedule FT-2 MDTQs within sixty (60) Days of the end of such Contract Quarter, Shipper shall have the right to release such incremental MDTQs from its Commitment under its Rate Schedule FT-2 Service Agreement.

11.2 If, over any Contract Year, Shipper fails, for any reason other than force majeure, to satisfy its Throughput Commitment under Section 5.1 of this Rate Schedule, then, at the conclusion of such Contract Year, Transporter shall have the right but not the obligation, upon providing notice to Shipper in accordance with Section 9 of the GT&C of Transporter's Tariff, to require Shipper to elect either to (1) reduce its MDTQs for the remaining term of its Rate Schedule FT-2 Service Agreement or (2) pay to Transporter the conditional reservation charge set forth in Section 8.2(e) of this Rate Schedule. Within thirty (30) Days of receipt of Transporter's notice to Shipper requiring an election to be made, Shipper shall notify Transporter, in accordance with Section 9 of the GT&C of Transporter's Tariff, of its election either to reduce permanently its MDTQs or pay the

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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

11. REDUCTIONS IN CAPACITY con't

conditional reservation charge. If Shipper elects to reduce its MDTQs, Shipper may reduce its Quarterly MDTQs for the remaining term of its Rate Schedule FT-2 Service Agreement by either (a) a quantity equal to the difference between the average daily capacity actually utilized by Shipper during the Contract Year and Shipper's average MDTQ for such Contract Year or (b) a quantity equal to the percentage decrease in capacity actually utilized during the Contract Year compared to Shipper's MDTQ for that Contract Year. MDTQ reductions will take effect April 1st of the Contract Year following Contract Year in which the throughput commitment was not satisfied.

11.3 If Shipper elects to pay the conditional reservation charge calculated in accordance with Section 8.2(e) of this Rate Schedule then such charges shall be paid in accordance with Section 8.2 of the GT&C of Transporter's Tariff. If Shipper fails to pay the conditional reservation charge when due under GT&C Section 8.2, Shipper shall pay interest and be subject to suspension of transportation per Sections 8.3 and 8.4 of the General Terms and Conditions.

12. INCREASES IN CAPACITY

12.1 Shipper, at any time, and subject to compliance with the requirements of Sections 3.2, 3.3, 3.4, and 3.5 of this Rate Schedule may, in accordance with the Notice provisions of Section 9 of the GT&C of Transporter's Tariff, request an increase in its MDTQs under its existing Rate Schedule FT-2 Service Agreement to become effective on the first Day of any Contract Quarter. If the Request is valid under Section 10 of the GT&C of Transporter's Tariff and firm capacity is available,

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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

12. INCREASES IN CAPACITY con't

then Transporter shall grant such request to become effective on the date requested by Shipper. Unless otherwise agreed to in writing between Shipper and Transporter, increases in MDTQs shall be at the maximum rate for service under this Rate Schedule.

12.2 If sufficient firm capacity is not available to fully accommodate Shipper's Request under Section 12.1 Transporter shall notify Shipper within thirty (30) Days of the date of Shipper's request whether Transporter will (a) commence construction of facilities to fully accommodate the requested increase in the Shipper's MDTQ; or (b) file an application with the FERC for permission to construct the requisite facilities. Where prior regulatory approvals for the construction of facilities are not required, Transporter shall complete construction of the requisite facilities within fifteen (15) Months of the date of Shipper's request. If authorization for the construction of such facilities requires Transporter to make a certificate filing with the Federal Energy Regulatory Commission ("FERC"), including a prior notice filing under 18 C.F.R. 157 of the FERC's regulations, Transporter shall complete such facilities within nine (9) Months of the date on which Transporter receives certificate authorization from the FERC to construct the facilities. When FERC authorization is required, Transporter may, at its option, conduct an open season to determine whether any other firm Shipper under Rate Schedules FT-1, FT-2, or FT-3 desires additional capacity. Requests for additional capacity under Rate Schedule FT-2 and FT-3 received during an open season shall not be valid unless the requests comply with Sections 3.2, 3.3, and 3.4 of this Rate Schedule and Rate Schedule FT-3, as applicable.

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**Original Sheet No. 36** Original Sheet No. 36 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

12. INCREASES IN CAPACITY con't

12.3 Requests for additional capacity shall be processed, and capacity awarded, in accordance with Section 10 of the GT&C of Transporter's Tariff on a first-come, first-served basis. In the event that Transporter conducts an open season pursuant to Section 12.2 of this Rate Schedule all requests received under Section 12.1 of this Rate Schedule shall have a priority over requests received during the open season.

12.4 If Transporter agrees to construct facilities to accommodate Shipper's request for additional capacity under Sections 12.1 and 12.2 and Shipper requires such additional capacity prior to the date by which Transporter has committed to complete the construction of such facilities, then until such time as Transporter's facilities are completed and available to Shipper to ship its requested increased MDTQs, Transporter shall release Shipper from that portion of its Commitment related to the requested increase in MDTQs.

12.5 If Transporter elects not to construct the facilities necessary to satisfy the requests for increased service to accommodate increased production from OCS Field(s) already flowing Natural Gas through Transporter's Pipeline Facilities, Transporter shall so notify Shipper within thirty (30) Days of receipt of Shipper's request, and, upon the request of Shipper, Transporter shall permanently release from Shipper's Commitment under its Rate Schedule FT-2 Service Agreement that portion of the Natural Gas production from the specific OCS Field that is the subject of the request for increased capacity for which firm capacity on Transporter's Pipeline Facilities is not available. Such release shall become effective on the Day following the Day Shipper requests the release from

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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

12. INCREASES IN CAPACITY con't

Transporter under this Section 12.5. Provided, however, if Transporter fails to respond to Shipper's request for increased service within the thirty (30) Day period set forth in Section 12.2 of this Rate Schedule, the release shall be deemed to be effective on the thirty first (31st) Day following the Day on which the request is made.

12.6 Upon request of Shipper, Transporter may release Shipper from such portions of the Commitment under its Rate Schedule FT-2 Service Agreement which Transporter and Shipper mutually agree are uneconomic to connect to Transporter's Pipeline Facilities or to the gathering system of any gatherer to which Transporter's Pipeline Facilities are connected.

12.7 If additional facilities are required to fully accommodate Shipper's Request for additional capacity and Transporter constructs such facilities, immediately upon placing such additional facilities into service Shipper's MDTQs under its Rate Schedule FT-2 Service Agreement shall be modified to incorporate the requested increase.

13. NOTIFICATION OF COMMERCIAL FEASIBILITY

In the event that Shipper intends to add new OCS Fields to its existing Rate Schedule FT-2 Service Agreement, Shipper shall provide to Transporter, at the same time as Shipper notifies the Minerals Management Service of the United States Department of the Interior, written notification of the commercial feasibility of any new discoveries which are to be included within Shipper's Commitment under its Rate Schedule FT-2 Service Agreement. As soon as practicable thereafter, Shipper shall provide to Transporter the expected daily



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RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

13. NOTIFICATION OF COMMERCIAL FEASIBILITY con't

average and peak Day volumes of Natural Gas associated therewith, the projected date when such new reserves will commence to be produced for transportation through Transporter's Pipeline Facilities, and the expected duration of such transportation. All such information provided to Transporter pursuant to this Section shall be kept confidential by Transporter.

14. RELEASE OF FIRM CAPACITY

Any Shipper receiving service under this Rate Schedule FT-2 shall have the right to release its firm capacity rights on a temporary basis only and in accordance with Section 22 of the GT&C of Transporter's Tariff.

15. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of Natural Gas under this Rate Schedule FT-2 shall be determined in accordance with the provisions of Section 14 of the GT&C of Transporter's Tariff.

16. IMPAIRMENT OF RECEIPTS AND DELIVERIES

In the event that Transporter, on any Day, is unable to receive and/or deliver the total nominations of all Shippers under any Rate Schedule of Transporter's Tariff, Transporter shall limit receipts and/or deliveries of Natural Gas in accordance with Section 13 of the GT&C of Transporter's Tariff.

17. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm customers.

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**Original Sheet No. 39** Original Sheet No. 39 : Effective

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

18. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

19. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. As between this Rate Schedule and a Service Agreement under this Rate Schedule, in the event of a conflict, the specific provision of this Rate Schedule, unless otherwise specifically provided, shall control, except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

20. TERMINATION OF SERVICE AGREEMENT

20.1 If Shipper fails to make the payments due to Transporter under this Rate Schedule in accordance with Section 8 of the GT&C of Transporter's Tariff, then following sixty (60) Days' Notice to Shipper by Transporter of its intent to terminate Shipper's Rate Schedule FT-2 Service Agreement by reason of such non-payment, provided in accordance with Section 9 of the GT&C of Transporter's Tariff, Transporter shall have the right, in addition to any and all other

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**First Revised Sheet No. 40** First Revised Sheet No. 40  
Superseding: Original Sheet No. 40

RATE SCHEDULE FT-2  
FIRM TRANSPORTATION SERVICE

20. TERMINATION OF SERVICE AGREEMENT con't

remedies available to Transporter at law and in equity, to terminate Shipper's Service Agreement hereunder if Shipper fails to cure such non-payment within such sixty (60) Day period. Provided, however, if Shipper, in good faith, disputes the amount of any such bill or portion thereof and pays to Transporter in a timely manner such amounts as it concedes to be correct, Transporter shall not have the right to terminate Shipper's Service Agreement; provided, however, Transporter shall have all of the rights set out in Section 8 of the GT&C of Transporter's Tariff.

20.2 If either Shipper or Transporter fails to cure an event of force majeure within ninety (90) Days of having provided notice to the other party of the existence of a condition of force majeure declared in accordance with Section 25 of the GT&C of Transporter's Tariff, then the party not claiming force majeure may, upon providing thirty (30) Days notice to the other party in accordance with Section 9 of the GT&C of Transporter's Tariff, terminate the Rate Schedule FT-2 Service Agreement as to which the event of force majeure relates. Provided, however, Shipper shall have one hundred eighty (180) Days to cure an event of force majeure affecting production at depths of two hundred (200) meters or greater; and, provided further, if the party declaring force majeure has been diligently pursuing a cure of the force majeure event during such ninety (90) or one hundred eighty (180) Day cure period specified above but has not cured the force majeure event by the close of such period, then the termination rights of this Section shall not apply so long as such diligent pursuit continues.

*Effective Date: 12/01/1997 Status: Effective*  
*FERC Docket: CP96-790-003*

**Original Sheet No. 41** Original Sheet No. 41 : Effective

APPENDIX "A"  
to  
RATE SCHEDULE FT-2

ENGINEERING FIRMS

1. Ryder Scott Company Petroleum Engineers
2. Netherland, Sewell & Associates, Inc.
3. H. J. Gruy & Associates, Inc.
4. DeGolyer & MacNaughton Petroleum Consultants
5. Purvin & Gertz, Inc.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 42** Original Sheet No. 42 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

1. DEFINITIONS

The terms used in this Rate Schedule shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

2. AVAILABILITY

This Rate Schedule is available to any Person (hereinafter called "Shipper") which has (a) requested service under this Rate Schedule; (b) satisfied the requirements of Section 10 of the GT&C of Transporter's Tariff; (c) made a Commitment consistent with Section 3 of this Rate Schedule; (d) demonstrated to Transporter's satisfaction that at the time the Natural Gas included within the Reserve Commitment is produced, such Natural Gas is, or will be, physically capable of being received into Transporter's Pipeline Facilities at one or more Point(s) of Receipt and delivered out of Transporter's Pipeline Facilities at one or more Point(s) of Delivery; and (e) entered into a Service Agreement with Transporter for firm service under this Rate Schedule for a minimum term of five (5) years.

3. COMMITMENT

3.1 Every request for service under this Rate Schedule shall include Shipper's commitment to deliver into and ship through Transporter's Pipeline Facilities for the term of its Rate Schedule FT-3 Service Agreement, all Natural Gas (in excess of Natural Gas required by Shipper for use on its Leases) purchased or produced by or for the account of Shipper, or any Affiliate thereof, attributable to Shipper's Leasehold Interest(s) in specifically identified OCS Field(s) which OCS Field(s) and Leasehold Interest(s) shall be listed on Exhibit "A" to Shipper's Rate Schedule FT-3 Service Agreement ("Commitment"). Shipper's Commitment

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**Original Sheet No. 43** Original Sheet No. 43 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

may include more than one OCS Field but, in no event, shall Shipper's Commitment to any single Rate Schedule FT-3 Service Agreement be less than all of Shipper's Leasehold Interest(s) in each OCS Field listed on Exhibit "A" to Shipper's Rate Schedule FT-3 Service Agreement, as Exhibit "A" may be amended from time to time.

- 3.2 Shipper's Commitment included in its request for service under this Rate Schedule shall be accompanied by a monthly production profile for all proven reserves included within Shipper's Commitment and shall designate Shipper's requested Maximum Daily Transportation Quantity ("MDTQ") to be in effect during each Contract Quarter of each Contract Year throughout the term of its Rate Schedule FT-3 Service Agreement.
- 3.3 Shipper's production profile shall be accompanied by either (a) technical data necessary to support the production profile and which demonstrate that Shipper's requested MDTQs are supported by the production profile; provided, however, Shipper shall not be required to supply Transporter data of a confidential nature; or (b) a report issued by one of the engineering firms listed on Appendix "A" to this Rate Schedule supporting Shipper's production profile and requested MDTQs.
- 3.4 If Shipper elects to establish its production profile and MDTQs with a report from an independent engineering firm in accordance with Section 3.3(b) of this Rate Schedule, then the cost of such report shall be borne by the Shipper. The production profile and MDTQs established in such report shall be binding on both Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule.

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**Original Sheet No. 44** Original Sheet No. 44 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.5 If Shipper submits its production profile and supporting technical data to Transporter in accordance with Section 3.3(a) of this Rate Schedule and Transporter determines either that (1) the data supplied are insufficient to permit Transporter to assess the reasonableness of Shipper's production profile and MDTQs; or (2) that Shipper's production profile is not reasonable or the requested MDTQs are not supported by Shipper's production profile, then Transporter and Shipper shall make a good faith attempt to agree on a production profile and MDTQs which, when agreed upon, shall be binding on Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule. If Transporter and Shipper cannot reach agreement on such production profile and MDTQs, then Shipper shall submit all technical data supporting Shipper's production profile and the requested MDTQs, including data considered to be confidential and, therefore, not provided to Transporter under Section 3.3(a), to one of the engineering firms listed on Appendix "A" to this Rate Schedule which engineering firm, in consultation with Shipper, shall issue a report establishing Shipper's production profile and MDTQ(s). The production profile and MDTQs established in the report shall be binding on Shipper and Transporter for purposes of Shipper's request for service under Section 3 of this Rate Schedule. All costs and fees due to the engineering firm with respect to the development of the production profile and MDTQs under this Section 3.5 shall be shared equally between Shipper and Transporter unless Shipper determines not to contract for service under this Rate Schedule or Rate Schedule FT-2 in which event Shipper shall bear all such costs and fees.

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**Original Sheet No. 45** Original Sheet No. 45 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.6 If Shipper submits its production profile and requested MDTQs to an independent engineering firm in accordance with Section 3.5 of this Rate Schedule and, upon receipt of the binding engineering report Shipper believes that the MDTQs set forth therein are inadequate to permit delivery of all of Shipper's Natural Gas production from the OCS Field(s) and Leasehold Interest(s) committed to its Rate Schedule FT-3 Service Agreement, then, upon Shipper's request, Transporter shall offer to Shipper a service agreement under Rate Schedule FT-1 for the incremental MDTQs that Shipper requests. Except where Shipper becomes a Replacement Shipper through the capacity release programs available under this Rate Schedule and Rate Schedules FT-1 and FT-2, only in this limited circumstance may Shipper receive an FT-1 Service Agreement for production included within the OCS Field(s) identified on Exhibit "A" to its Rate Schedule FT-3 Service Agreement. Any such FT-1 Service Agreement shall be for a term of not less than one year, shall have the same Contract Year as the Rate Schedule FT-3 Service Agreement covering production from the same OCS Field(s), and shall establish a rate equal to the rate charged for service under the Shipper's Rate Schedule FT-3 Service Agreement covering production from the same OCS Field(s). After one Contract Year under the Rate Schedule FT-1 Service Agreement, Shipper may terminate its Rate Schedule FT-1 Service Agreement and, if firm capacity is available on Transporter's Pipeline Facilities, increase the MDTQs under its Rate Schedule FT-3 Service Agreement by an amount equal to Shipper's actual average daily throughput under its Rate Schedule FT-1 Service Agreement.



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**Original Sheet No. 46** Original Sheet No. 46 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

3. COMMITMENT con't

3.7 Notwithstanding anything herein to the contrary, during periods of routine repair and maintenance in which Transporter curtails, interrupts, or discontinues service as described in Section 25.4 of the GT&C of Transporter's Tariff, Shipper shall be temporarily released from that portion of its Commitment under this Rate Schedule as is tendered by Shipper to Transporter but which cannot be transported by Transporter on any Day up to Shipper's MDTQ for such Day.

4. APPLICABILITY AND CHARACTER OF SERVICE

4.1 Service under this Rate Schedule shall be available on a daily basis for the transportation of quantities of Natural Gas up to the MDTQs set forth on Exhibit "B" to Shipper's FT-3 Service Agreement. All such quantities shall be received by Transporter at the Point(s) of Receipt and Thermally Equivalent Quantities shall be delivered to Shipper at the Point(s) of Delivery specified on Exhibit "B" to Shipper's Rate Schedule FT-3 Service Agreement. Service under this Rate Schedule shall be firm except as provided in this Rate Schedule, the GT&C of Transporter's Tariff, and Shipper's executed Service Agreement. Service under this Rate Schedule shall not commence until Transporter and Shipper have executed an FT-3 Service Agreement. If service under this Rate Schedule has not commenced within twelve (12) Months of the later of Shipper's service Request Date or the in-service date of Transporter's Pipeline Facilities, Shipper's request for service and any Rate Schedule FT-3 Service Agreement entered into pursuant to such request shall become null and void and of no further legal effect.

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**First Revised Sheet No. 47** First Revised Sheet No. 47  
Superseding: Original Sheet No. 47

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

4. APPLICABILITY AND CHARACTER OF SERVICE con't

4.2 Transporter shall have no obligation to accept any Natural Gas for transportation under this Rate Schedule FT-3 other than Natural Gas produced from the OCS Field(s) and Leasehold Interest(s) identified on Exhibit "A" to Shipper's FT-3 Service Agreement.

4.3 Transporter shall have no obligation to add any facilities or expand the capacity of its Pipeline facilities beyond the initial certificated capacity in any manner in order to provide transportation service under this Rate Schedule.

4.4 Nominations and scheduling of service under this Rate Schedule shall be in accordance with the procedures set out in Sections 11 and 12 of the GT&C of Transporter's Tariff.

4.5 Allocations of capacity shall be determined in accordance with Section 10 of the GT&C of Transporter's Tariff.

5. THROUGHPUT COMMITMENT

5.1 Shipper shall ship through Transporter's Pipeline Facilities under this Rate Schedule each Contract Quarter its "Throughput Commitment" which shall equal at least eighty-five percent (85%) of Shipper's contract entitlement for the relevant Contract Quarter. Shipper's contract entitlement for any given Contract Quarter shall be equal to the sum of the product of the MDTQ set forth on Exhibit "B" to its Service Agreement for such Contract Quarter multiplied by the number of Days in such Contract Quarter. Failure to satisfy the Throughput Commitment shall subject Shipper to the payment of the conditional reservation charge under Section 8.2(e) of this Rate Schedule.

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**Original Sheet No. 48** Original Sheet No. 48 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

5. THROUGHPUT COMMITMENT con't

5.2 For purposes of determining whether Shipper has satisfied its Throughput Commitment under Section 5.1, above, Shipper's throughput for the Contract Year shall include (a) any quantity of Natural Gas which Shipper tenders for delivery and which is transported by Transporter under this Rate Schedule FT-3 up to Shipper's MDTQ; (b) any quantity of Natural Gas which Shipper nominates and tenders for delivery under its Rate Schedule FT-3 Service Agreement at the Point(s) of Receipt but which is not transported by Transporter unless Transporter's failure to transport is the result of (i) the failure of Shipper's Natural Gas to meet the quality specifications of Section 3 of the GT&C of Transporter's Tariff, (ii) Transporter's determination; or that delivery of Shipper's nominated quantities cannot be made at the designated Point(s) of Delivery, or (iii) Transporter's determination that Shipper's title or right to deliver Natural Gas to Transporter is questioned or involved in any action; (c) all quantities of Natural Gas shipped by Shipper as Authorized Overrun under Section 7 of this Rate Schedule to the extent that Shipper pays the maximum rate for the transportation of its Authorized Overrun quantities; and (d) all quantities of capacity released by Shipper under Section 11 of this Rate Schedule.

6. POINTS OF RECEIPT AND DELIVERY, UNIFORM QUANTITIES

6.1 The Point(s) of Receipt into Transporter's Pipeline Facilities shall be specified on Exhibit "B" to Shipper's FT-3 Service Agreement. Exhibit "B" may be superseded from time to time by a new Exhibit "B" to add or delete specific Point(s) of Receipt or to make other changes thereto which the parties deem appropriate. Transporter shall not be obligated to

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**Original Sheet No. 49** Original Sheet No. 49 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

6. POINTS OF RECEIPT AND DELIVERY, UNIFORM QUANTITIES con't

accept any additional Point(s) of Receipt if to do so, in the sole judgment of Transporter, would impair Transporter's ability to satisfy existing firm obligations under this Rate Schedule or any other firm Rate Schedule.

6.2 The Point(s) of Delivery out of Transporter's Pipeline Facilities shall be specified on Exhibit "B" to the FT-3 Service Agreement. Exhibit "B" may be superseded by a new Exhibit "B" to add or delete specific Point(s) of Delivery or to make other changes thereto upon which the parties agree.

6.3 As nearly as practicable, Shipper shall deliver into Transporter's Pipeline Facilities Natural Gas in uniform hourly quantities during each Day.

7. AUTHORIZED OVERRUN

On any Day when capacity is available, Shipper may elect with the prior approval of Transporter, to ship quantities in excess of its MDTQ, but not to exceed one hundred twenty percent (120%) of Shipper's MDTQ. Such quantities shall be deemed to be Authorized Overrun and shall be separately nominated by Shipper.

8. RATES AND CHARGES

8.1 The applicable maximum and minimum rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 9 of Transporter's Tariff and are incorporated herein by reference. The rates under this Rate Schedule are subject to adjustment pursuant to Section 27 of the GT&C of Transporter's Tariff and Shipper's effective FT-3 Service Agreement.

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**First Revised Sheet No. 50** First Revised Sheet No. 50 : Effective  
Superseding: Original Sheet No. 50

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

8. RATES AND CHARGES con't

8.2 Service hereunder shall be subject to the following charges:

- (a) A usage charge equal to the applicable maximum rate for service under this Rate Schedule as set forth on the currently effective Sheet No. 9 of Transporter's Tariff, or such discounted rate offered to Shipper by Transporter pursuant to Section 27.1 of the GT&C of Transporter's Tariff, for each Dth of Natural Gas received by Transporter from Shipper under this Rate Schedule.
- (b) A new facilities charge equal to an amount agreed upon between Shipper and Transporter for facilities constructed at Shipper's request in order to provide transportation service under this Rate Schedule as provided in Section 28 of the GT&C of Transporter's Tariff;
- (c) Incidental charges necessary to recoup regulatory filing fees or similar fees incurred by Transporter in rendering service under this Rate Schedule;
- (d) An Authorized Overrun charge for each Dth of Natural Gas shipped pursuant to Section 7 of this Rate Schedule equal to the maximum rate for such service under this Rate Schedule as set forth on the currently effective Sheet No. 9 of Transporter's Tariff or such discounted rate offered to Shipper by Transporter pursuant to Section 27.1 of the GT&C of Transporter's Tariff;

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**Original Sheet No. 51** Original Sheet No. 51 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

8. RATES AND CHARGES con't

- (e) For any Contract Quarter in which Shipper does not satisfy the Throughput Commitment of Section 5.1 of this Rate Schedule, a conditional reservation charge equal to the Conditional Reservation rate stated on the currently effective Sheet No. 9 of Transporter's Tariff or such lesser rate charged to Shipper under Section 8.2(a), above, multiplied by a quantity of Natural Gas equal to the difference between the quantity of Natural Gas that would have been shipped by Shipper under its Rate Schedule FT-3 Service Agreement had Shipper shipped one hundred percent (100%) of its MDTQ each Day of such Contract Quarter and the actual quantity of Natural Gas shipped by Shipper under its Rate Schedule FT-3 Service Agreement in such Contract Quarter as determined by Section 5.2 of this Rate Schedule;
- (f) Any applicable surcharges, penalties, or other charges due to Transporter under the terms of this Rate Schedule, Shipper's Rate Schedule FT-3 Service Agreement, and the GT&C of Transporter's Tariff.

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**Original Sheet No. 52** Original Sheet No. 52 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

9. LOSS AND UNACCOUNTED FOR GAS

Shipper shall provide at the Point(s) of Receipt its pro rata share of Transporter's Use Gas in-kind.

10. MONTHLY BILL

The monthly bill for Natural Gas transportation under this Rate Schedule shall be equal to the sum of the applicable charges set forth in Section 8 above.

11. RELEASE OF FIRM CAPACITY

Any Shipper receiving service under this Rate Schedule FT-3 shall have the right to release its firm capacity rights on a permanent or temporary basis and in accordance with Section 22 of the GT&C of Transporter's Tariff.

12. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of Natural Gas under this Rate Schedule FT-3 shall be determined in accordance with the provisions of Section 14 of the GT&C of Transporter's Tariff.

13. IMPAIRMENT OF RECEIPTS AND DELIVERIES

In the event that Transporter, on any Day, is unable to receive and/or deliver the total nominations of all Shippers under any Rate Schedule of Transporter's Tariff, Transporter shall limit receipts and/or deliveries of Natural Gas in accordance with Section 13 of the GT&C of Transporter's Tariff.

14. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm customers.

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**Original Sheet No. 53** Original Sheet No. 53 : Effective

RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

15. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

16. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. As between this Rate Schedule and a Service Agreement under this Rate Schedule, in the event of a conflict, the specific provision of this Rate Schedule, unless otherwise specifically provided, shall control, except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

17. TERMINATION OF SERVICE AGREEMENT

17.1 If Shipper fails to make the payments due to Transporter under this Rate Schedule in accordance with Section 8 of the GT&C of Transporter's Tariff, then following sixty (60) Days' Notice to Shipper by Transporter of its intent to terminate Shipper's Rate Schedule FT-3 Service Agreement by reason of such non-payment, provided in accordance with Section 9 of the GT&C of Transporter's Tariff, Transporter shall have the right, in addition to any and all other



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**First Revised Sheet No. 54** First Revised Sheet No. 54  
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RATE SCHEDULE FT-3  
FIRM TRANSPORTATION SERVICE

17. TERMINATION OF SERVICE AGREEMENT con't

remedies available to Transporter at law and in equity, to terminate Shipper's Service Agreement hereunder if Shipper fails to cure such non-payment within such sixty (60) Day period. Provided, however, if Shipper, in good faith, disputes the amount of any such bill or portion thereof and pays to Transporter in a timely manner such amounts as it concedes to be correct, Transporter shall not have the right to terminate Shipper's Service Agreement; provided, however, Transporter shall have all of the rights set out in Section 8 of the GT&C of Transporter's Tariff.

17.2 If either Shipper or Transporter fails to cure an event of force majeure within ninety (90) Days of having provided notice to the other party of the existence of a condition of force majeure declared in accordance with Section 25 of the GT&C of Transporter's Tariff, then, the party not claiming force majeure may, upon providing thirty (30) Days notice to the other party in accordance with Section 9 of the GT&C of Transporter's Tariff, terminate the Rate Schedule FT-3 Service Agreement as to which the event of force majeure relates. Provided, however, Shipper shall have one hundred eighty (180) Days to cure an event of force majeure affecting production at depths of two hundred (200) meters or greater; and provided further, if the party declaring force majeure has been diligently pursuing a cure of the force majeure event during such ninety (90) or one hundred eighty (180) Day cure period specified above but has not cured the force majeure event by the close of such period, then the termination rights of this Section shall not apply so long as such diligent pursuit continues.

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 55** Original Sheet No. 55 : Effective

APPENDIX "A"  
to  
RATE SCHEDULE FT-3

ENGINEERING FIRMS

1. Ryder Scott Company Petroleum Engineers
2. Netherland, Sewell & Associates, Inc.
3. H. J. Gruy & Associates, Inc.
4. DeGolyer & MacNaughton Petroleum Consultants
5. Purvin & Gertz, Inc.

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**Original Sheet No. 56** Original Sheet No. 56 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. DEFINITIONS

The terms used in this Rate Schedule shall have the meaning set forth herein and in Section 2 of the General Terms and Conditions (GT&C) of Transporter's Tariff.

2. AVAILABILITY

2.1 This Rate Schedule is available to any Person (hereinafter called "Shipper") that has (a) requested transportation service under this Rate Schedule; (b) satisfied the requirements of Section 10 of the GT&C of Transporter's Tariff; and (c) entered into a Service Agreement with Transporter for interruptible Transportation service under this Rate Schedule.

2.2 Transporter shall accept written transportation requests for service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's Request Date. The Request Date shall be the date and time Transporter receives a Request from the Shipper pursuant to Section 10 of the GT&C of Transporter's Tariff.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 This Rate Schedule shall apply to the transportation of Natural Gas, on an interruptible basis, when and to the extent that Transporter determines that capacity is available in its existing Pipeline Facilities, subject to the availability of capacity sufficient to provide service up to the MDTQ set forth on Exhibit "A" to Shipper's IT-1 Service Agreement.

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**First Revised Sheet No. 57** First Revised Sheet No. 57  
Superseding: Original Sheet No. 57

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

3. APPLICABILITY AND CHARACTER OF SERVICE con't

3.2 Service under this Rate Schedule shall be available on a daily basis for the transportation of quantities of Natural Gas up to the MDTQ set forth in Shipper's IT-1 Service Agreement. All such quantities shall be received by Transporter at the Point(s) of Receipt and Thermally Equivalent Quantities shall be delivered to Shipper or for Shipper's account at the Point(s) of Delivery specified in Exhibit "A" to Shipper's IT-1 Service Agreement. Service under this Rate Schedule shall be interruptible. Service under this Rate Schedule shall not commence until Transporter and Shipper have executed an IT-1 Service Agreement. Provided, however, that if service under Shipper's Rate Schedule IT-1 Service Agreement has not commenced within the later of thirty (30) Days of Shipper's Request Date or the in-service date of Transporter's Pipeline Facilities then Shipper's request for service and any Rate Schedule IT-1 Service Agreement entered into pursuant to such request shall become null and void and of no further legal effect.

3.3 Transporter shall have no obligation to add any facilities or expand the capacity of its Pipeline Facilities beyond the initial certificated capacity in any manner in order to provide transportation service under this Rate Schedule.

3.4 Nominations and scheduling of service under this Rate Schedule shall be in accordance with the procedures set forth in Sections 11 and 12 of the GT&C of Transporter's Tariff.

3.5 Allocations of capacity shall be determined in accordance with Section 10 of the GT&C of Transporter's Tariff.

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**Original Sheet No. 58** Original Sheet No. 58 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

4. POINTS OF DELIVERY AND RECEIPT, UNIFORM QUANTITIES

- 4.1 The Point(s) of Receipt into Transporter's Pipeline Facilities shall be specified on Exhibit "A" to the IT-1 Service Agreement. Exhibit "A" to Shipper's Service Agreement may be superseded by a new Exhibit "A" to add or delete specific Point(s) of Receipt or make other changes upon which the parties agree. Transporter shall not be obligated to accept any additional Point(s) of Receipt if to do so, in the sole judgment of Transporter, would impair Transporter's ability to satisfy existing firm obligations under its Rate Schedule FT-1, Rate Schedule FT-2, or Rate Schedule FT-3.
- 4.2 The Point(s) of Delivery out of Transporter's Pipeline Facilities shall be specified on Exhibit "A" to the IT-1 Service Agreement. Exhibit "A" to Shipper's Service Agreement may be superseded by a new Exhibit "A" to add or delete specific Point(s) of Delivery or make other changes upon which the parties agree.
- 4.3 As nearly as practicable, Shipper shall deliver or cause to be delivered into Transporter's Pipeline Facilities Natural Gas in uniform hourly quantities during each Day that transportation service is provided.

5. RATES AND CHARGES

- 5.1 The applicable maximum and minimum rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 9 of Transporter's Tariff. The rates applicable to this Rate Schedule are subject to adjustment pursuant to Section 27 of the GT&C of Transporter's Tariff and to change pursuant to Shipper's effective Rate Schedule IT-1 Service Agreement. Unless Transporter and Shipper otherwise agree in writing, the applicable rate for service under this Rate Schedule shall be the maximum rate shown on the currently effective Sheet No. 9 of Transporter's Tariff.

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FERC Docket: CP96-790-003

**Original Sheet No. 59** Original Sheet No. 59 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

5. RATES AND CHARGES con't

5.2 Service hereunder shall be subject to the following charges:

- (a) A usage charge equal to the product of the applicable maximum Usage Rate shown on the currently effective Sheet No. 9 of Transporter's Tariff multiplied by the quantity of Natural Gas received by Transporter from Shipper or for Shipper's account in the Month;
- (b) Incidental charges necessary to recoup regulatory filing fees or similar fees incurred by Transporter in rendering service under this Rate Schedule; and
- (c) Any other applicable surcharges, penalties or other charges due to Transporter under the terms of this Rate Schedule, Shipper's Rate Schedule IT-1 Service Agreement and the General Terms and Conditions.

6. LOSS AND UNACCOUNTED FOR GAS

Shipper shall provide (at the points) of Receipt its pro rata share of Transporter's Use Gas in-kind.

7. MONTHLY BILL

The monthly bill for Natural Gas transportation under this Rate Schedule shall be equal to the sum of the applicable charges set forth in Section 5 hereof.

8. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of Natural Gas under this Rate Schedule IT-1 shall be determined in accordance with the provisions of Section 14 of the GT&C of Transporter's Tariff.

Effective Date: 12/01/1997 Status: Effective

FERC Docket: CP96-790-003

Original Sheet No. 60 Original Sheet No. 60 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

9. IMPAIRMENT OF RECEIPTS AND DELIVERIES

In the event that Transporter, on any Day, is unable to receive and/or deliver the total nominations of all Shippers under any Rate Schedule of Transporter's Tariff, Transporter shall limit receipts and/or deliveries of Natural Gas in accordance with Section 13 of the GT&C of Transporter's Tariff.

10. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to firm Shippers.

11. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

12. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. As between this Rate Schedule and a Service Agreement under this Rate Schedule, in the event of a conflict, the specific provisions of this Rate Schedule, unless otherwise specifically provided, shall control except that such Rate Schedule, Service Agreement and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 61** Original Sheet No. 61 : Effective

RATE SCHEDULE IT-1  
INTERRUPTIBLE TRANSPORTATION SERVICE

13. TERMINATION OF SERVICE AGREEMENT

If Shipper fails to make the payments due to Transporter under this Rate Schedule in accordance with Section 8 of the GT&C of Transporter's Tariff, Transporter shall have the right, in addition to any and all other remedies available at law or in equity, to terminate Shipper's Service Agreement hereunder. Provided, however, if Shipper, in good faith, disputes the amount of any such bill or portion thereof and pays to Transporter in a timely manner such amounts as it concedes to be correct, Transporter shall not have the right to terminate Shipper's Service Agreement; provided further, Transporter shall have all of the rights set out in Section 8 of the GT&C of Transporter's Tariff.



Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.62** Original Sheet No.62 : Effective

RATE SCHEDULE Preferred Short-Haul "PSH"  
TRANSPORTATION SERVICE

1. DEFINITIONS

The terms used in this Rate Schedule shall have the meaning set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

2. AVAILABILITY

This Rate Schedule is available to any Person (hereinafter called "Shipper") which has (a) requested service under this Rate Schedule; (b) satisfied the requirements of Section 10 of the GT&C of Transporter's Tariff; and (c) entered into a Service Agreement with Transporter for PSH service under this Rate Schedule.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Service under this Rate Schedule shall be available on a daily basis for the transportation of quantities of Natural Gas up to the MDTQ set forth on Exhibit "A" to Shipper's PSH Service Agreement. All such quantities shall be received by Transporter at the PDF and Thermally Equivalent Quantities shall be delivered to Shipper or for Shipper's account only at the Point(s) of Delivery at the PDF as specified on Exhibit "A" to Shipper's PSH Service Agreement. Service under this Rate Schedule shall have a subordinate priority to Rate Schedules FT-1, FT-2 and FT-3 services. This service shall have a higher priority than interruptible service, IT-1 at the receipt and delivery points. Service under this Rate Schedule shall not commence until Transporter and Shipper have executed a PSH Service Agreement.

3.2 Transporter shall have no obligation to add any facilities or expand the capacity of its Pipeline Facilities in any manner in order to provide transportation service under this Rate Schedule.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.63** Original Sheet No.63 : Effective

RATE SCHEDULE PSH  
TRANSPORTATION SERVICE

3. APPLICABILITY AND CHARACTER OF SERVICE con't

3.3 Nominations and scheduling of service under this Rate Schedule shall be in accordance with the procedures set out in Sections 11 and 12 of the GT&C of Transporter's Tariff.

4. POINTS OF RECEIPT AND DELIVERY, UNIFORM QUANTITIES

4.1 The Point of Receipt into Transporter's Pipeline Facilities shall be limited to the PDF and specified on Exhibit "A" to the PSH Service Agreement.

4.2 The Point(s) of Delivery out of Transporter's Pipeline Facilities shall be limited to the PDF and specified on Exhibit "A" to the PSH Service Agreement. Exhibit "A" to Shipper's Service Agreement may be superseded by a new Exhibit "A" to add or delete specific Point(s) of Delivery or make other changes upon which the parties agree.

4.3 As nearly as practicable, Shipper shall deliver or cause to be delivered into Transporter's Pipeline Facilities Natural Gas in uniform hourly quantities during each Day.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.64** Original Sheet No.64 : Effective

RATE SCHEDULE PSH  
TRANSPORTATION SERVICE

5. RATES AND CHARGES

5.1 The applicable maximum and minimum rates for service under this Rate Schedule are set forth on the currently effective Sheet No. 9 of Transporter's Tariff and are incorporated herein by reference. The rates under this Rate Schedule are subject to adjustment pursuant to Section 27 of the GT&C of Transporter's Tariff and to change pursuant to Shipper's effective Rate Schedule PSH Service Agreement.

5.2 Service hereunder shall be subject to the following charges:

(a) A usage charge equal to the product of the applicable maximum Usage Rate shown on the currently effective Sheet No. 9 of Transporter's Tariff multiplied by the quantity of Natural Gas received by Transporter from Shipper or for Shipper's account in the Month;

(b) A new facilities charge equal to an amount agreed upon between Shipper and Transporter for facilities constructed at Shipper's request in order to provide transportation service under this Rate Schedule as provided in Section 28 of the GT&C of Transporter's Tariff;

(c) Incidental charges necessary to recoup regulatory filing fees or similar fees incurred by Transporter in rendering service under this Rate Schedule; and

(d) Any applicable surcharges or penalties or other charges due to Transporter under the terms of this Rate Schedule, Shipper's Rate Schedule PSH Service Agreement and the General Terms and Conditions.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.65** Original Sheet No.65 : Effective

RATE SCHEDULE PSH  
TRANSPORTATION SERVICE

6. LOSS AND UNACCOUNTED FOR GAS

Shipper shall provide at the point of Receipt its pro rata share of Transporter's Use Gas in-kind for the short-haul service provided under this Rate Schedule PSH.

7. MONTHLY BILL

The monthly bill for Natural Gas transportation under this Rate Schedule shall be equal to the sum of the charges set forth in Section 5 above.

8. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of Natural Gas under this Rate Schedule PSH shall be determined in accordance with the provisions of Section 14 of the GT&C of Transporter's Tariff.

9. IMPAIRMENT OF RECEIPTS AND DELIVERIES

In the event that Transporter, on any Day, is unable to receive and/or deliver the total nominations of all Shippers under any Rate Schedule of Transporter's Tariff, Transporter shall limit receipts and/or deliveries of Natural Gas in accordance with Section 13 of the GT&C of Transporter's Tariff.

10. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to firm Shippers.

11. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreement(s) shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.66** Original Sheet No.66 : Effective

RATE SCHEDULE PSH  
TRANSPORTATION SERVICE

12. GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and the service provided hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. As between this Rate Schedule and a Service Agreement under this Rate Schedule, in the event of a conflict, the specific provision of this Rate Schedule, unless otherwise specifically provided, shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

13. TERMINATION OF SERVICE AGREEMENT

13.1 If shipper fails to make the payments due to Transporter under this Rate Schedule in accordance with Section 8 of the GT&C of Transporter's Tariff, then following sixty (60) Days' notice to Shipper by Transporter of its intent to terminate Shipper's Rate Schedule PSH Service Agreement by reason of such non-payment, Transporter shall have the right, in addition to any and all other remedies available at law or in equity, to terminate Shipper's Service Agreement hereunder if Shipper fails to cure such non-payment within such sixty (60) Day period. Provided, however, if Shipper, in good faith, disputes the amount of any such bill or portion thereof and pays to Transporter in a timely manner such amounts as it concedes to be correct, Transporter shall not have the right to terminate Shipper's Service Agreement; provided, however, Transporter shall have all of the rights set out in Section 8 of the GT&C of Transporter's Tariff.

*Effective Date: 04/05/2010 Status: Effective*  
*FERC Docket: RP10-475-000*

**First Revised Sheet No. 67** First Revised Sheet No. 67  
Superseding: Original Sheet No. 67

RATE SCHEDULE PSH  
TRANSPORTATION SERVICE

13.2 If either Shipper or Transporter fails to cure an event of force majeure within ninety (90) Days of having provided notice to the other party of the existence of a condition of force majeure declared in accordance with Section 25 of the GT&C of Transporter's Tariff, then, the party not claiming force majeure may upon providing thirty (30) Days notice to the other party in accordance with Section 9 of the GT&C of Transporter's Tariff, terminate the Rate Schedule PSH Service Agreement as to which the event of force majeure relates.

*Effective Date: 10/03/1999 Status: Effective*

*FERC Docket: RP99-502-000*

**Sheet Nos.68** Sheet Nos.68 : Effective

Sheet No. 68 is reserved for future use.

Effective Date: 12/01/2006 Status: Effective

FERC Docket: RP07- 54-000

**Eighth Revised Sheet No. 69** Eighth Revised Sheet No. 69 : Effective  
Superseding: Seventh Revised Sheet No. 69

GENERAL TERMS AND CONDITIONS  
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*FERC Docket: CP96-790-003*

**Original Sheet No. 70** Original Sheet No. 70 : Effective

GENERAL TERMS AND CONDITIONS

1. APPLICABILITY

These General Terms and Conditions are incorporated in and are part of Transporter's Rate Schedules and Service Agreements.

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FERC Docket: RP10-475-000

**Third Revised Sheet No. 71** Third Revised Sheet No. 71  
Superseding: Second Revised Sheet No. 71

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS

The following terms, when used herein or in any Rate Schedule contained in this Tariff or in any executed Service Agreement for service under a Rate Schedule contained in this Tariff have the following meanings:

(a) "Affiliate" means any Person which controls, is controlled by, or is under common control with such Person.

(b) "British thermal unit" and "Btu" means the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

(c) The term "bumping" shall mean that a shipper with a higher priority transportation service level will displace previously scheduled volumes of a lower priority transportation service level.

(d) "Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico.

(e) "Casinghead Gas" means any Natural Gas which qualifies as Casinghead Gas based on a gas-oil ratio (GOR) of no more than 5,000 SCF/bl.

(f) "Central Clock Time" and "CCT" means central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.

(g) "Commission" and "FERC" means the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction over Transporter under the Natural Gas Act or supervening legislation.

(h) "Contract Quarter" means each of the periods determined as follows:

1. with respect to the first Contract Quarter of the first Contract Year, a period commencing on the initial delivery date and ending on the first to occur of March 31, June 30, September 30, or December 31 after such initial delivery date and

2. with respect to the second and each Contract Quarter thereafter, the calendar quarter succeeding the immediately preceding Contract Quarter.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Eighth Revised Sheet No. 72** Eighth Revised Sheet No. 72  
Superseding: Seventh Revised Sheet No. 72

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

(i) "Contract Year" means the following:

1. with respect to the first Contract Year, a period beginning on the initial delivery date and ending on the December 31 first occurring after such initial delivery date and

2. with respect to the second and each Contract Year thereafter, the calendar year succeeding the immediately preceding Contract Year.

(j) "Cubic Foot" means the volume of Natural Gas which occupies one (1) cubic foot of space, measured according to Boyle's and Charles' Laws for the measurement of Natural Gas under varying pressures with deviation therefrom as provided in Section 5 hereof and on the measurement basis likewise specified in Section 5 hereof.

(k) "Date of Commencement of Service" means the date on which Transporter is ready, willing and able to provide service and all contractual and regulatory conditions enabling service to commence have been satisfied.

(l) "Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. CCT.

(m) "Dekatherm" or "Dth" means the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "Dekatherm" of Gas means the quantity of gas which contains one dekatherm of heat energy.

(n) "NAESB" means the North American Energy Standards Board.

(o) "NAESB Standard" means the standards issued by NAESB adopted by the Federal Energy Regulatory Commission.

(p) "GT&C" means the General Terms and Conditions of Transporter's Tariff, as revised and effective from time to time.

(q) The term "Interactive Internet Website" shall mean Transportation Service provider's web based browser application for allowing companies who have signed an Interactive Internet Website Agreement access to transportation related information via interactive screens and reports.

(r) The term "Internet Web Site" shall mean Transportation Service Provider's Public information system found on the World Wide Web at address: [www.enbridgeus.com](http://www.enbridgeus.com).

(s) "Lease(s)" means any oil, Natural Gas or mineral lease(s) in which Shipper holds rights to Natural Gas, which is committed to Transporter under a Rate Schedule FT-2 or FT-3 Service Agreement.

Effective Date: 12/12/1998 Status: Effective  
FERC Docket: RP99-143-001

**Sub Second Revised Sheet No. 73** Sub Second Revised Sheet No. 73 : Superseded  
Superseding: First Revised Sheet No. 73

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

(t) "Leasehold Interest(s)" means any right, title or interest acquired by Shipper or any Affiliate of Shipper in and under any Lease or any other interest in oil, Natural Gas or other minerals covering or relating to Field(s) identified on Exhibit "A" to Shipper's Rate Schedule FT-2 or FT-3 Service Agreement, including, without limitation, interests under farm-in or farm-out agreements, exploration agreements, production-sharing agreements and other contractual rights but specifically excluding mere rights to the proceeds of production, including, without limitation, overriding royalty interests.

(u) "Mcf" means 1,000 Cubic Feet of Natural Gas.

(v) "MMBtu" means one million Btu's.

(w) "Maximum Daily Transportation Quantity" and "MDTQ" means the maximum daily quantity of Natural Gas that Transporter is required to transport for Shipper or for the account of Shipper from all Point(s) of Receipt to all Point(s) of Delivery as specified on Exhibit "A" or "B," as applicable, to Shipper's Service Agreement.

(x) "Month" means the period beginning at 9:00 a.m. CCT on the first Day of the calendar month and ending 9:00 a.m. CCT on the first Day of the next succeeding calendar month.

(y) "Natural Gas" means any mixture of hydrocarbons, consisting essentially of methane, and inert or noncombustible gases which are extracted from the subsurface of the earth in their natural state meeting the quality and pressure specifications set forth in Sections 3 and 4 hereof.

(z) "Operational Balancing Agreement" or "OBA" means a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04-111-000

**Fifth Revised Sheet No. 74** Fifth Revised Sheet No. 74 : Effective  
Superseding: Fourth Revised Sheet No. 74

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

- (aa) "Operational Flow Order" or "OFO" means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.
- (ab) "Person" means an individual or any corporation, joint venture, limited liability company, partnership, association, business trust, or organized group of persons, whether incorporated or not.
- (ac) "Pipeline Facilities" means Transporter's 101-mile Natural Gas pipeline and appurtenant facilities extending from a platform in Ship Shoal Block 207, offshore Louisiana, to Garden City, St. Mary Parish, Louisiana.
- (ad) "Plant Discharge Facility" or "PDF" means that portion of the Nautilus System that extends from the receipt point at St. Mary's Parish-Neptune Plant Outlet Meter to and including the eight delivery points located downstream of the outlet of the Garden City Plant.
- (ae) "Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper, as set forth on an Exhibit to Shipper's Service Agreement and shall be deemed to be Primary Point(s) of Delivery.
- (af) "Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities, as set forth on an Exhibit to Shipper's Service Agreement and shall be deemed to be Primary Point(s) of Receipt.
- (ag) "Pooling" means the aggregation of gas from multiple physical and/or logical points to a single or physical or logical point, and/or the disaggregation of gas from a point to multiple physical and/or logical points.

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FERC Docket: RP99-502-000

**Fourth Revised Sheet No. 75** Fourth Revised Sheet No. 75 : Effective  
Superseding: Third Revised Sheet No. 75

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

(ah) "Psia" means pounds per square inch absolute.

(ai) "Psig" means pounds per square inch gauge.

(aj) "Releasing Shipper" means a Shipper receiving service pursuant to a Service Agreement under Rate Schedule FT-1, FT-2, or FT-3 of Transporter's Tariff which releases firm capacity in accordance with Transporter's capacity release programs.

(ak) "Replacement Shipper" means any Person which obtains released capacity in accordance with Transporter's capacity release programs.

(al) "Request" means a request for service which meets the requirements of Section 10 of the GT&C of Transporter's Tariff. Such a request is considered a valid request.

(am) "Request Date" means the date on which a Request is considered valid under Section 10 of the GT&C of Transporter's Tariff.

(an) "Scheduled Quantity" means the quantity of Natural Gas that (a) Shipper nominates in accordance with Section 11 of the GT&C of Transporter's Tariff and (b) Transporter confirms in accordance with Section 12 of the GT&C of Transporter's Tariff.

(ao) "Secondary Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized delivery points for that service.

(ap) "Secondary Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized receipt points for that service.

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FERC Docket: RP10-475-000

**Fifth Revised Sheet No. 76** Fifth Revised Sheet No. 76

Superseding: Fourth Revised Sheet No. 76

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

(aq) "Service Agreement" means the agreement executed by the Shipper and Transporter under any Rate Schedule of Transporter's Tariff and any exhibits, attachments and/or amendments thereto.

(ar) "Shipper" means a Person which executes a Service Agreement with Transporter for transportation service under any Rate Schedule of Transporter's Tariff.

(as) "Tariff" means Transporter's FERC Gas Tariff, including but not limited to Rate Sheets, Rate Schedules, General Terms & Conditions, and Forms of Service Agreement, as it may be revised and effective from time to time.

(at) "Temporary Capacity Release Service Agreement" means a Service Agreement for Rate Schedule FT-1 that is executed pursuant to subsection 22.4(b) (2) of these General Terms and Conditions.

(au) "Thermally Equivalent Quantities" means the thermal quantities of Natural Gas received by Transporter at the Point(s) of Receipt adjusted for Transporter Use Gas.

(av) "Total Heating Value" means the number of Btu's produced by the complete combustion with air, at constant pressure, of 1 anhydrous (dry) Cubic Foot of Natural Gas, at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 psia, and when the products of combustion are cooled to the initial temperature of the Natural Gas and air and all water formed by combustion is condensed to the liquid state. The total heating value (BTU per Cubic Foot of gas) shall be stated to at least the third decimal point for reporting purposes and to at least the sixth decimal place for calculation purposes.

Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

**Fifth Revised Sheet No. 77** Fifth Revised Sheet No. 77

Superseding: Fourth Revised Sheet No. 77

GENERAL TERMS AND CONDITIONS

2. DEFINITIONS con't

(aw) "Transporter" or "Transportation Service Provider" means Nautilus Pipeline Company, LLC

(ax) "Transporter Use Gas" means the amount of Natural Gas used for maintenance; Natural Gas lost as a result of force majeure events, the ownership of which cannot be reasonably identified; and unaccounted for Natural Gas.

(ay) Monthly Allocation is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.

(az) Daily Allocation is the term used to describe the process where the Allocating Party performs the allocation process following each gas Day.



Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

**Original Sheet No. 78** Original Sheet No. 78

GENERAL TERMS AND CONDITIONS

"Negotiated Rate(s)" means a rate provision under which Transporter and Shipper have agreed on the amount to be charged for the service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds). Any Service Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a Negotiated Rate.

"Negotiated Rate Formula" means a rate formula provision under which Transporter and Shipper have agreed will be applied to service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds). Any Service Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discount rate or a rate pursuant to a Negotiated Rate Formula.

"Recourse Rate" means the generally applicable maximum tariff rates and surcharges set forth on currently effective Tariff Sheet No. 9.

*Effective Date: 04/05/2010 Status: Effective*  
*FERC Docket: RP10-475-000*

**Sheet 79 - 86** Sheet 79 - 86

Sheet Nos. 78-86 are reserved for future use

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**First Revised Sheet No. 87** First Revised Sheet No. 87 : Effective  
Superseding: Original Sheet No.87

GENERAL TERMS AND CONDITIONS

3. QUALITY

The quality specifications herein shall apply to all Natural Gas delivered to Transporter by Shipper or for Shipper's account under Rate Schedule FT-1, Rate Schedule FT-2, Rate Schedule FT-3, Rate Schedule PSH and Rate Schedule IT-1.

3.1 Total Heating Value

- (a) No Natural Gas delivered hereunder shall have a total heating value at the Point(s) of Receipt below 980 Btu per Cubic Foot (Btu/cf) or more than 1400 Btu/cf.
- (b) The total heating value shall be determined by Natural Gas chromatographic analysis using AGA 3-1994 factors or any revision thereof, or by other method(s) mutually agreed upon by Shipper and Transporter.
- (c) The average total heating value of the Natural Gas shall be determined by gas chromatographic analysis using AGA 3-1994 factors or any revision thereof or by any other method(s) of analysis mutually agreed upon by Shipper and Transporter, by adding together the total heating values so obtained during a billing period and dividing the total by the number of analyses taken during such billing period. The resultant average shall be deemed to represent the entire quantity of Natural Gas transported for Shipper or for Shipper's account during such billing period.

3.2 Specifications

All Natural Gas delivered or caused to be delivered by Shipper or for Shipper's account to Transporter shall conform to the following quality specifications.

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

- (a) Oxygen. The Natural Gas shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Shipper shall make every reasonable effort to keep the Natural Gas free of oxygen.
- (b) Liquids. The Natural Gas shall contain no measured volumes of hydrocarbons in liquid form (i.e. liquids that have condensed from the Natural Gas stream) at the temperature and pressure at which the Natural Gas is delivered to Transporter and shall contain no more than 7 pounds of water per million Cubic Feet.
- (c) Hydrogen Sulfide. The Natural Gas shall not contain more than 0.25 of a grain of hydrogen sulfide per one hundred Cubic Feet.
- (d) Temperature. The Natural Gas shall have a temperature of not more than one hundred twenty (120) degrees Fahrenheit and not less than forty (40) degrees Fahrenheit.
- (e) Sulfur. The Natural Gas shall not contain more than five (5) grains of total sulfur per one hundred Cubic Feet.
- (f) Carbon Dioxide/Other Non-Hydrocarbon Gases. The Natural Gas shall not contain more than four percent (4%) of a combined total of carbon dioxide and other non-hydrocarbon gases; provided, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume.

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(g) Impurities. The Natural Gas shall be free from polychlorinated biphenols (PCBs) and commercially free (at prevailing pressure and temperature in Transporter's Pipeline Facilities) from dust, gums, sand, oil or other foreign substances which may be injurious to Transporter's Pipeline Facilities or other facilities, or might interfere with its merchantability or cause injury to or interference with proper operations of Transporter's Pipeline Facilities or other pipelines, compressor stations, meters, regulations or other appliances through which it flows.

(h) Microbiological Agents. The Natural Gas shall not contain, either in the Natural Gas or in any liquids with the Natural Gas, a microbiological organism, active bacteria or bacterial agents capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria and bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Transporter and Shipper which is currently available or may become available at any time.

3.3 Testing

Testing to determine sulfur, hydrogen sulfide, oxygen, carbon dioxide and nitrogen content shall be made by approved standard methods in general use in the gas industry. Such testing shall be performed by Transporter at intervals of not less than every twelve (12) Months; provided, however, that Shipper shall have the right to be present at the time of any such testing.

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3. QUALITY con't

3.4 Failure to Conform

If the Natural Gas tendered by Shipper or for Shipper's account to Transporter at the Point(s) of Receipt shall fail at any time to conform to any of the specifications set forth in Sections 3.1 and 3.2 or in Transporter's reasonable judgment may cause harm to its Pipeline Facilities or diminish the quality of Natural Gas in Transporter's Pipeline Facilities, then Transporter shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality-deficient Natural Gas. In the event Transporter refuses to accept Natural Gas tendered by Shipper or for Shipper's account because such Natural Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any reservation charges under Rate Schedule FT-1, or any amounts due under Sections 8.2(e) of Rate Schedule FT-2 and Rate Schedule FT-3. If the Natural Gas tendered by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery shall fail at any time to conform to any of the specifications set forth in this Section 3, then Shipper shall notify Transporter of such deficiency and may, at its option, refuse to accept delivery pending correction by Transporter.

3.5 Acceptance of Nonconforming Gas

Notwithstanding the requirements set forth in Section 3.4 above, Transporter may allow Shipper to tender for service or cause to be tendered, pursuant to an executed Service Agreement, Natural Gas that does not when injected into Transporter's Pipeline Facilities and prior to any commingling, meet the quality specifications set forth in Sections 3.1 and 3.2

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hereof; provided, however, that Transporter's acceptance of such Natural Gas shall not adversely impact Transporter's Pipeline Facilities or operations. In the event that Transporter's acceptance of such Natural Gas results in the diminution in quality, quantity or economic value of Natural Gas transported for others, the Shipper which injects or causes to be injected such Natural Gas into Transporter's Pipeline Facilities shall be liable for any damage caused thereby and such Shipper shall indemnify and hold Transporter harmless from any damage caused thereby.

3.6 Injected Condensates

Transporter shall have no obligation to accept into its Pipeline Facilities injected condensates. Provided, however, that Transporter reserves the right to accept such condensates in the future.

3.7 Commingling

Transporter shall have the unqualified right to commingle Natural Gas transported hereunder with Natural Gas from other sources and to treat and handle all such Natural Gas as its own. It is recognized that Natural Gas delivered at the Point(s) of Delivery may not be the same molecules of Natural Gas as those received at the Point(s) of Receipt. The quantities of Natural Gas delivered hereunder at the Point(s) of Delivery shall be Thermally Equivalent Quantities of the Natural Gas received at the Point(s) of Receipt. To the extent Shipper or any other Person elects not to exercise its rights, if any, to process Natural Gas for the removal of liquids and liquefiable hydrocarbons, Transporter shall have the unqualified right to process or cause to be processed such Natural Gas for the

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**Third Revised Sheet No. 92** Third Revised Sheet No. 92  
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purpose of removing, among others, liquids and liquefiable hydrocarbons and ownership of such liquids and liquefiable hydrocarbons shall be vested in Transporter so long as Transporter redelivers Thermally Equivalent Quantities of Natural Gas to Shipper. For any period for which Shipper elects to process or cause to be processed its Natural Gas, Shipper shall process all quantities of Natural Gas shipped hereunder.

3.8 Gas Quality Posting

Transporter will provide on its Informational Postings Web Site a link to the natural gas quality provisions in Transporter's tariff as well as the daily average gas quality information for prior gas Day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) is provided in a tabular downloadable format. In any event, compliance with gas quality requirements is in accordance with this tariff.



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**First Revised Sheet No. 93** First Revised Sheet No. 93  
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4. PRESSURE

4.1 Receipt Pressure Obligations

Shipper shall deliver or cause to be delivered Natural Gas to Transporter at pressures sufficient to enter Transporter's Pipeline Facilities at such working pressures maintained by Transporter at each Point of Receipt; provided, however, that such pressure shall not exceed Transporter's maximum allowable operating pressure at such Point(s) of Receipt.

4.2 Delivery Pressure Obligations

Transporter shall deliver Natural Gas hereunder to Shipper or for Shipper's account at the Point(s) of Delivery specified in the effective Service Agreement at the pressure prevailing in Transporter's pipeline system. In addition, Transporter and Shipper may specify in the executed Service Agreement a minimum delivery pressure obligation at any Point(s) of Delivery, and Transporter shall not be obligated to reduce the pressures in its Pipeline Facilities at such Point(s) of Delivery below such minimum delivery pressure obligation.

4.3 Over-Pressure Protection

In no event shall Transporter be responsible for over-pressure protection on Shipper's facilities.

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**Second Revised Sheet No. 94** Second Revised Sheet No. 94  
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5. MEASUREMENT & MEASUREMENT EQUIPMENT

5.1 Determination of Quantity

The quantity of Natural Gas received and delivered by Transporter to Shipper or for Shipper's account hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of Natural Gas under varying pressures and temperatures with deviations therefrom as provided in paragraph 5.1(i) below and shall be determined as follows.

(a) The unit of measurement for the purpose of service under any of Transporter's Rate Schedules shall be one (1) Dth. The number of Dth's delivered shall be determined by multiplying the number of Cubic Feet of Natural Gas received or delivered, measured on the measurement basis hereinafter specified, by the Total Heating Value of such Natural Gas, in Btu's per Cubic Foot, and by dividing the product by one (1) million (1,000,000).

(b) When Natural Gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such quantities of Natural Gas shall be corrected to a pressure of 14.73 psia. The unit of quantity for the purposes of measurement shall be one (1) Cubic Foot of Natural Gas at a temperature of 60 degrees Fahrenheit, at a pressure of 0.33 psig gauge and an atmospheric pressure of 14.4 psia, resulting in pressure of 14.73 psia. The factor used to correct to the pressure base of 14.73 pounds per square inch absolute shall be stated to at least the sixth decimal place.

(c) The unit of weight for the purpose of measurement hereunder shall be one (1) pound mass of Natural Gas.

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**First Revised Sheet No. 95** First Revised Sheet No. 95  
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(d) The average absolute atmospheric pressure shall be assumed to be 14.4 psia.

(e) The flowing temperature of the Natural Gas shall be determined for the purposes of measured volume correction. Volume shall be corrected for each degree of variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured continuously and, at Transporter's option, shall be either (1) recorded using recording devices of standard make, in which case the temperature at which Natural Gas was measured for the period of such record shall be the arithmetical average of the record during the period of time the Natural Gas was flowing, or (2) determined by using on-site flow computations in electronic flow computers, in which case the instantaneous measurement of temperature will be used in computing Natural Gas quantities.

(f) The specific gravity of the Natural Gas flowing through the meters shall be determined by Natural Gas chromatographic analysis of composite samples, recording gravitometer, or continuous sampling methods, unless otherwise mutually agreed upon by Shipper and Transporter. The arithmetic average of the specific gravity recorded during each Day shall be used in computing Natural Gas quantities or other periodic measurements within a shorter time frame or instantaneous specific gravity measurements may be applied to metering instruments to provide the quantity computation. If a continuous specific gravity measuring device is not installed or is not available at an appropriate location, then specific gravity shall be determined monthly from a continuous or composite sampling device or by a mutually agreeable method.

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Superseding: Original Sheet No. 96

GENERAL TERMS AND CONDITIONS

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(g) When orifice meters are used, the computation of quantities of Natural Gas delivered shall be in accordance with the published recommendations of the American Gas Association's Report No. 3 (ANSI/API 2530), as revised September 1985, and as such report may be further revised, and any subsequent amendments thereof, as may be mutually agreed upon by Shipper and Transporter. Exact measurements of inside diameters of meter tubes shall be obtained by means of micrometer to the nearest one-thousandth inch. Said volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of paragraphs (e) and (f) above.

(h) The total heating value shall be measured, unless otherwise agreed by Transporter and Shipper, by methods in accordance with acceptable industry practice such as, but not limited to, recording calorimeter(s) or Natural Gas chromatograph(s) located at appropriate points. The arithmetic average of the heating values recorded each Day and as adjusted to conditions as specified herein shall be used for computations.

(i) The deviation of the Natural Gas delivered hereunder from Boyle's and Charles' Laws shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association's Report No. 3, as revised September 1985, and the American National Standards Institute as Transporter deems to be in accordance with accepted industry practice.

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5.2 Measurement Operations and Equipment

Measurement Operations shall include, but not be limited to, the operation, calibration and testing of transducers, chart records, meter runs, Natural Gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. Transporter may allow Shipper or third parties the right to perform Measurement Operations; provided however that such Shipper or third party furnishes to Transporter all data required for flow computations and can meet Transporter's measurement and operating standards; provided, further, each Shipper or third party which performs such Measurement Operations shall be responsible for any and all associated costs of such Measurement Operations unless otherwise agreed to by Transporter and such Shipper or third party. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Shipper and Transporter; provided, however, Transporter shall have the right to require and may install or cause to be installed electronic Natural Gas measurement and control equipment at all points.

- (a) Where orifice measurement equipment is to be used, orifice meter installation shall conform to the recommendations for design and installation contained in American Gas Association Report No. 3, as revised September 1985, and as such report may hereafter be further revised.

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**First Revised Sheet No. 98** First Revised Sheet No. 98  
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(b) Turbine meter installation shall conform to the recommendations for design and installation contained in Natural Gas Measurement Committee Report No. 7 of the AGA, as published in 1981 and as such report may be further revised.

(c) Positive displacement meter installation shall conform to generally accepted engineering practices in the industry.

5.3 Access to Equipment and Records

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 equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.

5.4 Check Measurement Equipment

Shipper may install, operate, and maintain, at its own expense, such check measurement equipment as it shall desire, provided that such equipment shall be so installed as not to interfere with the operation of other, including Transporter's, measurement equipment immediately upstream of the Point(s) of Receipt. Transporter shall have access to such check measurement equipment at all reasonable hours, but the reading, calibrating, and adjusting thereof and the changing of charts shall be done only by Shipper.

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5.5 Pressure Protection

Pressure regulation, pressure over-ride and pressure relief valve or other pressure limiting devices installed and operated by Transporter at the measuring station or near each interconnection of Transporter's Pipeline Facilities with facilities of third parties shall only be for the purpose of operation and protection of Transporter's measurement equipment and Transporter's Pipeline Facilities.

5.6 Test of Meters

The accuracy of Transporter's and Shipper's measurement equipment shall be verified by Transporter and Shipper at reasonable intervals and, if requested, in the presence of representatives of Transporter and Shipper.

(a) Transporter and Shipper shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) Day period.

(b) Transporter and Shipper shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) Day period, or in accordance with the requirements of the agency(ies) having jurisdiction, or in accordance with Shipper's Service Agreement, whichever of these requirements is more stringent.

(c) Transporter and Shipper shall not be required to verify the accuracy of the Natural Gas chromatograph or other heating value measurement device more frequently than once in any thirty (30) Day period.

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Original Sheet No. 100 Original Sheet No. 100 : Effective

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- (d) Subject to the provisions of paragraphs (a) through (c) of this Section 5.6, either Transporter or Shipper, after written request may secure a prompt verification of the other's measurement equipment, provided that the expense of any special test shall be borne by the requesting party if the measurement equipment is found to be in error by not more than two percent (2%) for manual equipment or more than one percent (1%) for electronic measuring equipment.
- (e) Any errors or discrepancies found during testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.

5.7 Measurement Equipment Inaccuracy and Failure

The quantity of Natural Gas received and delivered by Transporter and delivered to Shipper or for Shipper's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows.

- (a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of Natural Gas hereunder, is found to be in error to the extent that it introduces not more than two percent (2%) measurement error for manual equipment or one percent (1%) measurement error for electronic Natural Gas measurement equipment in the individual measurement equipment affected, previous records of such equipment shall be considered accurate.



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(b) If, upon test, any such above measurement equipment is found to be in error, to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error, by an amount exceeding two percent (2%) for manual equipment or one percent (1%) for electronic Natural Gas measurement equipment at a recording corresponding to the average hourly rate of flow through the instrument(s) in the period since the last preceding test, then any registrations, integration or computed quantities of such instrument(s) affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of Transporter and Shipper. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (.5) of the elapsed time since the date of the last test, but not exceeding a correction period of thirty (30) Days.

(c) If no tests have been performed to determine the degree of inaccuracy, or measurement equipment is out of service, the quantity of Natural Gas shall be estimated as follows:

(1) by using the registration of any existing and agreed upon check equipment considered by Transporter or Shipper to be registering accurately, or in the absence of such equipment,

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(2) by correcting the error, if the quantity of percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable,

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

5.8 Electronic Natural Gas Measurement (EGM) Technical Requirements

(a) Accuracy. Where EGM is used, the system shall use instruments designed to provide overall measurement accuracy of +1.0% of flow, taking into account all the sources of error, including calibrated span of instruments, linearity, hysteresis, repeatability, ambient temperature, stability, vibration, and power supply fluctuation. To achieve this degree of accuracy, transmitters with a published accuracy of +0.10% shall be utilized. Differential Pressure Transmitters of a type that self-compensate for static pressure effect or manufacturer's published compensation factor shall be programmed into the flow computer (RTU). All instruments shall operate on a temperature range of -30 degrees Fahrenheit to +120 degrees Fahrenheit and a non-condensing relative humidity range of 0 to 95%. The RTU shall be designed and installed to withstand mechanical shock of at least 1 G, and neither Shipper nor Transporter shall be held responsible for any accidental damage to the equipment as a result of mechanical shock of over 1 G.

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(b) Computation. The RTU shall, as a minimum, perform flow calculations per AGA-3, AGA-7, and AGA-8 requirements. As the flow calculation methods are revised from time to time, new releases shall be implemented within twelve (12) Months from the release date. At Transporter's option, Transporter may use other methods of computation which are generally accepted in the industry. All measured variables for differential pressure, static pressure and temperature shall be sampled at least once per second. All volume calculations shall be made at least once per second. Calculation of supercompressibility shall occur at least once every thirty (30) seconds.

(c) Data Security. The RTU shall have password protection so that utilization of a correct password will be required before data can be accessed or any parameters can be changed. A computer log shall be made of all changes to the configuration.

(d) Safety Standards. The EGM system shall meet the standards for Class 1, Division 2, Group D installations.

(e) Power. The RTU and the related hardware shall run on rechargeable batteries which can be charged by either 120VAC, 24VDC or solar panels. The battery capacity shall be at least twenty-four (24) hours when fully charged.

(f) Local Display. To the extent practicable, Transporter shall monitor volume information being recorded by the measurement system on an ongoing basis with either RTU display or transmitters with local display.

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- (g) Calibration and Testing Equipment. All test and calibration equipment shall be certified to 0.1% accuracy and traceable back to an NGS primary standard. Such equipment shall be re-certified by a third party at least annually. A copy of any inspection, test or certification report shall be made available to Shipper upon written request. Transporter shall provide Shipper with documentation on the monthly tests and inspection and the annual certification for the equipment used to calibrate the EGM equipment. Calibration equipment must satisfy all applicable safety codes for the location in which it is being used, or the area must be checked and confirmed as free of Natural Gas (less than 5% LEL) prior to and during use. Full loop (end device through the RTU) test/calibration shall be required on all analog inputs. Any adjustments to or calibration of the equipment shall be documented and kept as part of the audit trail. The RTU shall freeze the analog transmitter values during transmitter calibration and orifice plate removal and use these frozen values for the flow computation during calibration and orifice plate removal and re-installation.
- (h) The following information must be kept for a minimum of two (2) years following the calendar year of production, unless required by Service Agreement to be kept longer or by the applicable requirements of any governmental bodies having or asserting jurisdiction.
  - (1) All calculated volumes, energies and daily averages must be maintained in their original unaltered form.

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- (2) Any changes to the data to correct for inaccuracies must be fully documented, including assumptions and factors used in calculating the adjustment.
- (3) All event logs, alarm logs, test/calibration reports, Natural Gas analyses, preventive maintenance documentation and any other document containing EGM-related data.

All audit information will be available to Shipper's personnel during Transporter's normal business hours, upon request, in hard copy format and in an IBM compatible format.

5.9 Preservation of Records

Each party shall preserve for a period of at least two (2) years, or such longer period as may be required by the Federal Energy Regulatory Commission, all test data, charts and other similar records.

5.10 Flow Control

Transporter shall control flow of Natural Gas into and out of its Pipeline Facilities at all measurement facilities, but may allow, at its sole option, the following, if all of Transporter's operating standards and requirements, including the requirements of Section 16 of Transporter's GT&C, are met: (a) third parties to control flow into Transporter's Pipeline Facilities and (b) third parties to control flow out of Transporter's Pipeline Facilities, but Transporter reserves the right to override the third party's flow control equipment.

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5.11 Maintenance

- (a) Major maintenance shall include but not be limited to, the repair or replacement of major components and equipment required to support the Measurement Operations. For measurement facilities which Shipper or third party owns and for which Transporter performs Measurement Operations, such Shipper or third party shall be responsible for any and all associated costs of such major maintenance unless otherwise agreed by Transporter and Shipper or third party.
- (b) Routine maintenance shall be the normal day-to-day maintenance required to support the Measurement Operations or necessary to upkeep the measurement facility and shall include but not be limited to, replacement of minor parts for instrumentation, measurement equipment and minor valves and piping. The entity (Transporter, Shipper or third party) which performs the Measurement Operations for the measurement facility shall also be responsible for such routine maintenance and any and all associated costs of such routine maintenance unless otherwise agreed by Transporter and Shipper or third party.

5.12 New Techniques and Devices

Transporter and Shipper intend to use accurate measurement techniques and devices. If improved measurement techniques or devices become generally accepted in the industry and can be utilized economically in connection with the measurement of Natural Gas hereunder, Transporter may consider the same in updating the provisions of this Section 5 to utilize such measurement techniques and devices; provided, however, Transporter shall not be obligated to utilize such newer devices and techniques.

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5.13 Prior Period Adjustments

The deadline for closing of measurement data shall be no later than 5 Business Days after the Month of flow. Missing or late measurement data shall be estimated by the measuring party. Any measurement data or corrections received by Transporter after it has closed the previous Month of flow shall be handled as a prior period adjustment. Transporter shall process late measurement data or corrections of measurement errors as soon as practicable but no later than six Months after the applicable Month of flow in question with a three Month rebuttal period. These deadlines do not apply in the case of deliberate omission or misrepresentation by a party (or its representative) or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. The correction shall be made to the Month of flow with a restated line item and a new total quantity of gas for the specific Day(s) and the respective Month.

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**Substitute Original Sheet No. 107** Substitute Original Sheet No. 107 : Effective  
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GENERAL TERMS AND CONDITIONS

6. WARRANTY OF TITLE

Shipper warrants for itself, its successor and assigns, that it will have, at the time of delivery of Natural Gas to Transporter for transportation hereunder, good and merchantable title to the Natural Gas to be delivered to Transporter's Pipeline Facilities and that all such Natural Gas shall be free and clear of all liens, encumbrances and claims whatsoever, or good right to tender Natural Gas for transportation (and all necessary authorizations related thereto). Transporter warrants for itself, its successors and assigns, that the Natural Gas it delivers hereunder to or for the account of Shipper shall be free and clear of all liens, encumbrances and claims whatsoever arising out of or relating to Transporter's transportation of Natural Gas. Each party will indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of the indemnifying party's breach of the foregoing warranty, including adverse claims of any and all Persons to said Natural Gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of Natural Gas, and that each will indemnify the other and save it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery. If Shipper's title or right to deliver Natural Gas to Transporter is questioned or involved in any action, Shipper shall not qualify for and shall be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this Tariff if Shipper furnishes a bond satisfactory to Transporter. Title to the Natural Gas received by Transporter at the Point(s) of Receipt shall not pass to Transporter except that title to Natural Gas delivered for loss and unaccounted for quantities shall pass to Transporter at the Point(s) of Receipt.



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7. POSSESSION OF NATURAL GAS

7.1 Control of Natural Gas

Transporter shall be deemed to be in control and possession of the Natural Gas upon receipt of such Natural Gas at the Point(s) of Receipt until it shall have been delivered to Shipper or for Shipper's account at the Point(s) of Delivery. Transporter shall not be deemed to be in control and possession of such Natural Gas either prior to such receipt by Transporter or after such delivery.

7.2 Responsibility

Transporter shall have no responsibility with respect to any Natural Gas or on account of anything which may be done, happen, or arise with respect to such Natural Gas before receipt of such Natural Gas by Transporter or after delivery of such Natural Gas by Transporter, and Shipper shall have no responsibility with respect to any Natural Gas or on account of anything which may be done, happen or arise with respect to such Natural Gas while such Natural Gas is in Transporter's possession so long as such Natural Gas meets Transporter's specifications under Sections 3 and 4 hereof; provided, however, in the event any Natural Gas flows through facilities of Shipper or any third party prior to such delivery, Transporter shall have no responsibility with respect to any Natural Gas or on account of anything which may be done, happen, or arise with respect to such Natural Gas while in the facilities of Shipper or such third party. Provided further, the party deemed to be in control and possession of the Natural Gas to be transported shall be responsible for and shall indemnify the other party with respect to any losses, claims, liabilities or damages (except punitive or consequential damages) arising therefrom.

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GENERAL TERMS AND CONDITIONS

8. BILLING AND PAYMENT

8.1 Billing

Transporter shall, on or before the ninth (9th) Business Day of each calendar Month, render to Shipper a statement of the daily volumes and the Btu content of the Natural Gas received from or for the account of Shipper for transportation through Transporter's Pipeline Facilities and all applicable charges for transportation services rendered in the preceding Month chargeable to Shipper under the applicable Rate Schedule and Service Agreement. As used in this Section 8, "render" shall mean the provision by Nautilus of a time-stamped statement and/or invoice downloadable from its Interactive Internet Website unless the Shipper has elected to have invoices rendered via U.S. mail. Nautilus shall provide e-mail notification to Shipper's designated e-mail address, when invoices and statements are finalized and rendered. Further, Nautilus shall post a notice to its Interactive Internet Website when such documents are finalized. Billing units will be stated in Dekatherms and transportation invoices will state the net billing rate. Transporter may furnish separate statements to Shipper that include an account of any imbalance charges or credits and penalty charges accrued by Shipper pursuant to the terms of Transporter's Tariff.

8.2 Payment

Billing statements shall be deemed to be received by each Shipper within three (3) Business Days after the postmark date showing the date mailed by Transporter or the timestamp of the electronic notice of the finalized statements. Shipper shall make payment to Transporter for the services performed or charges levied hereunder during the preceding calendar Month by wire transfer to such address as Transporter may hereafter designate, no later than ten (10) Days after Shipper's receipt thereof. In the event the tenth Day does not fall upon a Business Day, payment shall be due the first Business Day following said tenth Day. Shipper shall submit supporting documentation, including invoice number, for each payment made to Transporter and Transporter shall apply the payment per supporting documentation provided by the Shipper. If the payment differs from invoiced amount, remittance detail should be provided with the payment except when the payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.

8.3 Interest on Unpaid Amounts

Should Shipper fail to pay any amount when due, interest on the unpaid amount shall accrue at the rate equal to the rate then set forth pursuant to the Commission's Regulations under the Natural Gas Act from the date payment was due until payment is made. Transporter agrees to waive interest charges on a late

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**Second Revised Sheet No. 110** Second Revised Sheet No. 110  
Superseding: First Revised Sheet No. 110

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payment if such charge is not in excess of \$100.00 or if Shipper, through no fault of its own, fails to receive its monthly invoice by the payment due date and promptly notifies Transporter of such failure.

8.4 Suspension of Transportation in the Event of Default

If Shipper's failure to make payment continues for twenty (20) Days or more, Transporter may suspend the further transportation of Natural Gas upon sixty (60) Days' prior written notice to Shipper and the Commission, but the exercise of such right shall be in addition to any other remedy available to Transporter; provided, however, that if Shipper, in good faith, shall dispute the amount of any such bills or parts thereof and shall pay to Transporter in a timely manner such amounts as it concedes to be correct (accompanied by supporting documentation, including invoice number, remittance detail which Transporter shall follow in applying such payment, and the basis for dispute) and, at any time thereafter within thirty (30) Days of a demand made by Transporter, shall furnish a good and sufficient surety bond in an amount and with sureties satisfactory to Transporter conditioned upon the payment of any amounts ultimately found due after a final determination, which may be reached either by agreement or by an arbitration award or a judgment of the courts, as the case may be, then Transporter shall not be entitled to suspend further delivery of Natural Gas unless and until default be made in the conditions on such bond. In the event it is finally determined or agreed that no payments were due from Shipper on such disputed bills, then Transporter will reimburse Shipper for the cost of procuring the surety bond within ten (10) Days after receipt of a detailed invoice thereof from Shipper.

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**Second Revised Sheet No. 111** Second Revised Sheet No. 111  
Superseding: First Revised Sheet No. 111

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8.5 Prepayment in the Event of Default

Upon default in payment for a period in excess of twenty (20) Days, Transporter may require as a condition to the continuation or recommencement of transportation services a deposit or other acceptable credit arrangement in an amount equal to not more than three (3) estimated maximum monthly bills for transportation services.

8.6 Prior Period Adjustments:

In the event an error is discovered in any invoice rendered by Transporter pursuant to a Service Agreement, Shipper must contest such amount in writing within six Months from the date invoice was rendered, with a three Month rebuttal period, otherwise the invoice will be deemed correct. These time limits do not apply in the case of government required rate changes or 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 provision.

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**Third Revised Sheet No. 112** Third Revised Sheet No. 112  
Superseding: Second Revised Sheet No. 112

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9. NOTICES

9.1 General Notices

Except as provided otherwise in this Tariff or the Service Agreement, operational and other communications may be made by a posting on Transporter's Interactive Internet Website as provided in Section 21 hereof and by email or other mutually agreeable means without subsequent written confirmation, unless written confirmation is requested by either party hereto. Any notice, request, demand, statement or other formal communication shall only be deemed given when delivered by first class, certified or registered U.S. mail, overnight delivery, courier, fax, or email or postings on Transporter's Internet Web Site. Such delivery shall: (a) be sent to Transporter at the address specified in the Service Agreement, or through the Interactive Internet Website, or at an address otherwise stated in a notice by Transporter to Shipper; and (b) be sent to Shipper at the address in the Service Agreement pursuant to the Rate Schedule, through the Interactive Internet Website or at an address otherwise stated in a notice by Shipper to Transporter.

All operational flow orders shall be posted on the Internet Web Site and sent by telecopy to all affected Shippers. System-wide notices should have a separate category for notices that are not critical.

9.2 Alternative Notice

Transporter and Shipper may agree in writing to an alternative method of giving notice to those specified in 9.1 above. Any such agreed upon alternative method of giving notice shall remain effective until rescinded by either party by giving prior written notice to the other party.

9.3 Critical Notices

Critical Notices should be defined to pertain to information on Transportation Service Provider conditions that affect scheduling or adversely affect scheduled gas flow. All Critical Notices will be sent via email to the email address(es) provided by Shipper and posted under "Critical Notices" on the Interactive Internet Website.

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**Original Sheet No. 113** Original Sheet No. 113 : Effective

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10. SERVICE REQUESTS AND CONTRACTING FOR SERVICE

10.1 Requests for Service

Transporter shall accept written transportation requests for firm service under Rate Schedules FT-1, FT-2, and FT-3 on a first-come/first-served basis determined in accordance with Shipper's transportation service Request Date.

- (a) All Requests for firm transportation service under Rate Schedule FT-1, Rate Schedule FT-2, or Rate Schedule FT-3 received prior to 4:00 p.m. Central Time on October 31, 1996, shall be deemed to have the same date, and if the sum of all such Requests for firm service under Rate Schedule FT-1, Rate Schedule FT-2, and Rate Schedule FT-3 exceeds the design capacity of Transporter's Pipeline Facilities then the available firm capacity shall be allocated in the order of the highest economic value of the bids to Transporter on a net present value basis, using as a discount factor the Federal Reserve Board's Federal Funds Rate. All capacity related to Requests for firm service under Rate Schedule FT-1, Rate Schedule FT-2, and Rate Schedule FT-3 having the same economic value to Transporter shall be allocated among Shippers on a pro rata basis. The unsatisfied portion of any Requests for service under Rate Schedules FT-1, FT-2, and/or FT-3 received prior to 4:00 p.m. Central Time on October 31, 1996, shall be maintained on Transporter's firm transportation log and shall be considered first-in-line with respect to any firm transportation capacity that subsequently becomes available on Transporter's Pipeline Facilities. As and when firm capacity becomes available, Transporter shall offer such available

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firm capacity to Shippers having an unsatisfied pre-November 1, 1996, Request for firm service under Rate Schedule FT-1, Rate Schedule FT-2, and Rate Schedule FT-3 in the order of the highest economic value to Transporter on a net present value basis, using as a discount factor the Federal Reserve Board's Federal Funds Rate. All capacity related to unsatisfied pre-November 1, 1996, Requests for service having the same economic value to Transporter shall be allocated among Shippers on a pro rata basis.

- (b) The transportation service Request Date for all Requests for firm transportation service under Rate Schedule FT-1, Rate Schedule FT-2, or Rate Schedule FT-3 received after 4:00 p.m. Houston, Texas, time on October 31, 1996, shall be the date Transporter receives a valid request pursuant to this Section 10. All such requests received on the same Day shall be deemed to have the same date, and if the sum of all Requests for firm service under Rate Schedule FT-1, Rate Schedule FT-2, and Rate Schedule FT-3 exceeds the certificated capacity of Transporter's Pipeline Facilities then the available firm capacity shall be allocated in the order of the highest economic value of the bids to Transporter on a net present value basis, using as a discount factor the Federal Reserve Board's Federal Funds Rate. All capacity related to Requests for firm service under Rate Schedule FT-1, Rate Schedule FT-2, and Rate Schedule FT-3 having the same economic value to Transporter shall be allocated among Shippers on a pro rata basis.

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**First Revised Sheet No. 115** First Revised Sheet No. 115  
Superseding: Original Sheet No. 115

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10.2 Information Required

(a) All Shippers seeking service from Transporter must provide the information required by this Section 10 and must submit a Service Request Form included in Transporter's Tariff containing the information described therein. Requests for service will be entered on Transporter's log, as required by the Commission's regulations, and Natural Gas will be scheduled for receipt or delivery provided the preceding requirements have been satisfied and Shipper's credit evaluation pursuant to Section 10.4 below is satisfactory. In the event Transporter determines that Shipper's request for service does not comply with this Section 10.2 or Shipper's credit evaluation does not comply with Section 10.4 hereof, Transporter shall notify Shipper of the deficiencies and the additional information or changes required to complete the request. Shipper shall have the right for a period of fifteen (15) Days after such notice to supplement Shipper's request as required to comply with this Section 10. If Shipper's request, as supplemented within said fifteen (15) Days after such notice, is satisfactory, then Shipper's original Request Date shall be utilized for purposes of Transporter's log, as required by the Commission's regulations. If Shipper's request, as supplemented within said fifteen (15) Days, remains incomplete and deficient, then Shipper's request shall not be deemed received until such incompleteness or deficiency shall be remedied.



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**First Revised Sheet No. 116** First Revised Sheet No. 116  
Superseding: Original Sheet No. 116

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(b) If Shipper's request for service and credit evaluation comply with this Section 10 and Transporter accepts Shipper's request for service, Transporter will tender a Service Agreement to Shipper. In the event the Service Agreement is not executed by Shipper and returned within ten (10) Days following the date on which Transporter tendered the Service Agreement to Shipper, Transporter shall consider the request for service invalid and the Service Agreement shall be void and Transporter shall refund any prepayment paid or return any security given by Shipper pursuant to Section 10.3 hereof.

(c) In addition to any specific requirements set forth in the applicable Rate Schedule, all firm transportation requests shall be subject to the following conditions:

(1) No request for transportation from a Point of Receipt or to a Point of Delivery shall be considered valid or be granted if to do so would impair Transporter's ability to render existing services pursuant to Transporter's firm Rate Schedules FT-1, FT-2, FT-3, and

(2) Subject to the provisions of 10.2(c) (1) above, the addition of Point(s) of Receipt or Point(s) of Delivery to a firm Service Agreement will not be considered a new transaction for purposes of complying with this Section 10. Any Shipper receiving permission from Transporter to use any new Point(s) of Receipt or new Point(s) of Delivery shall be deemed to have complied

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**Third Revised Sheet No. 117** Third Revised Sheet No. 117  
Superseding: Second Revised Sheet No. 117

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with the requirements of this Section 10 for purposes of receiving priority in contracting for such new Point(s) of Receipt or new Point(s) of Delivery for firm transportation over any third party subsequently requesting firm transportation under a firm Rate Schedule at that Point of Receipt or Point of Delivery if, at the time of Shipper's request, said third party's request has not been accepted by Transporter. The priority for such new Point(s) of Receipt or Point(s) of Delivery shall be determined in accordance with this Section 10.

(d) No requests for service will be processed until Shipper has provided to Transporter a completed Service Request Form. All completed Service Requests Forms must be sent to:

Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

GENERAL TERMS AND CONDITIONS

10. SERVICE REQUESTS AND CONTRACTING FOR SERVICE con't

- (e) Submission of the request for service shall constitute certification of the following:
  - (i) Shipper has title or a current contractual right to acquire title to or to ship the Natural Gas to be transported by Transporter.
  - (ii) Prior to the commencement of service, Shipper has or will enter into all necessary third-party transportation and gathering agreements to gather or transport the Natural Gas to the Point(s) of Receipt on Transporter's Pipeline Facilities and from the Point(s) of Delivery on Transporter's Pipeline Facilities to the party ultimately receiving the Natural Gas.
  - (iii) Shipper has a sales contract or will enter into such sales contract with the party ultimately receiving the Natural Gas prior to the commencement of service.
  - (iv) If Shipper is requesting service hereunder to be implemented pursuant to Section 311 of the Natural Gas Policy Act of 1978, certification executed by the local distribution company or the intrastate pipeline company, on whose behalf the transportation will be performed, whether or not such local distribution company or intrastate pipeline is the Shipper, that the local distribution company or

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**Second Revised Sheet No. 119** Second Revised Sheet No. 119  
Superseding: First Revised Sheet No. 119

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intrastate pipeline (1) will have physical custody of and transport the Natural Gas at some point during the transaction of which the transportation by Transporter is a part, or (2) will hold title to the Natural Gas at some point for a purpose related to its status and functions as a local distribution company or intrastate pipeline, or (3) that the Natural Gas will be delivered to a Shipper that is located within the local distribution company's service area and the transportation is being provided on its behalf, or (4) that the Natural Gas will be delivered to a Shipper that is physically able to receive direct deliveries of Natural Gas from the intrastate pipeline and the transportation is being provided on its behalf.

10.3 Prepayment

(a) If requesting any firm service, Shipper shall make a prepayment by wire transfer in an amount equal to \$25,000. The prepayment shall be applied to the first Month's invoice, and to the invoices of subsequent Month(s), as necessary, until the prepayment is fully credited.

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GENERAL TERMS AND CONDITIONS

10. SERVICE REQUESTS AND CONTRACTING FOR SERVICE con't

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**First Revised Sheet No. 121** First Revised Sheet No. 121 : Effective  
Superseding: Original Sheet No.121

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10.4 Creditworthiness

Transporter shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of a Shipper's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based mainly upon the information and criteria listed in (a)-(e) below. Provided further, a Shipper with an ongoing business relationship with Transporter shall have no delinquent balances outstanding for services made previously by Transporter, and Shipper must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

- (a) Shipper shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Transporter shall determine the acceptability of the Shipper's overall financial condition.
- (b) Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted pursuant to 10.4 (a) above must show that Shipper's obligations are being paid on a reasonably prompt basis.
- (c) Shipper shall confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only if such Shipper complies with Section 10.5 below.
- (d) Shipper shall confirm in writing that Shipper is not aware of any change in business conditions that would cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity.

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**Second Revised Sheet No. 122** Second Revised Sheet No. 122  
Superseding: Substitute First Revised Sheet No. 122

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(e) Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Shipper's ability to remain solvent as a business entity.

(f) The Service Requester (SR) should designate up to two representatives who are authorized to receive notices regarding the SR's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and should provide to the Transportation Service Provider (TSP) the Internet email addresses of such representatives prior to the initiation of service. Written requests and responses should be provided via Internet email, unless otherwise agreed to by the parties. The obligation of the TSP to provide creditworthiness notifications is waived until the above requirement has been met. The SR should manage internal distribution of any creditworthiness notices that are received.

The TSP should designate, on its Internet website or in written notices to the SR, the Internet email addresses of up to two representatives who are authorized to receive notices regarding the SRs' creditworthiness. The SR's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and the TSP should manage internal distribution of any such confirmations.

(g) At any time after the Shipper is determined to be noncreditworthy by Transporter, the Shipper may initiate a creditworthiness re-evaluation. As part of the reevaluation request, the Shipper should either update or confirm in writing the prior information provided to Transporter related to the Shipper's creditworthiness. Such update should include any event(s) that the Shipper believes could lead to a material change in the Shipper's creditworthiness.

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- (h) After the Transporter's receipt of the Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("SR's Request"), within five (5) Business Days, the Transporter should provide a written response to the Shipper's Request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for the Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the Shipper's Request unless specified in the Transporter's tariff or if the parties mutually agree to some later date.

10.5 Failure to Meet Creditworthiness Criteria

- (a) Upon notification by Transporter that Shipper has failed to satisfy the credit criteria, such Shipper may still obtain credit approval by Transporter if it elects to provide one of the following:
  - (1) an advance deposit;
  - (2) a standby irrevocable letter of credit;



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**First Revised Sheet No. 123** First Revised Sheet No. 123  
Superseding: Original Sheet No. 123

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(3) security interest in collateral which is found to be satisfactory to Transporter; or

(4) a guarantee, acceptable to Transporter, by another Person or entity which satisfies acceptable credit.

Such advance deposit, standby irrevocable letter of credit, security interest or guarantee shall at all times equal estimated charges for three (3) Months of transportation at a 100% load factor of the requested MDTQ at the maximum applicable unit rate under Rate Schedules FT-1, and one (1) Contract Quarter at a 100% load factor of the requested MDTQ at the maximum applicable unit rate under Rate Schedules FT-2 and/or FT-3.

(b) If Shipper's credit standing ceases to meet Transporter's credit requirements during the period of service, then Transporter has the right to require security or a deposit as specified in Section 10.5(a). If security or a deposit is not tendered in a timely period as reasonably determined by Transporter, then Transporter is not required to continue service. If Shipper is unable to maintain acceptable credit, the executed Service Agreement shall terminate as of the first Day of the Month following written notice to Shipper.

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**Fourth Revised Sheet No. 124** Fourth Revised Sheet No. 124  
Superseding: Third Revised Sheet No. 124

GENERAL TERMS AND CONDITIONS

11. NOMINATIONS

11.1 Nomination Procedures

(a) General: Shipper shall nominate Natural Gas for transportation under its Service Agreement(s) by notifying Transporter via Transporter's Interactive Internet Website or by calling 1-800-428-3676 and following with a facsimile by 9:00 a.m. the next Business Day. A valid nomination includes the daily quantity of Natural Gas expressed in Dth it has available for transportation at each Point of Receipt and of the quantity of Natural Gas it desires to have delivered at each Point of Delivery. All nominations should be considered original nominations and should be replaced to be changed.

Shipper shall specify a begin date and end date for each nomination. Such begin date and end date shall be within the terms of Shipper's Service Agreement. Unless Shipper wishes to change its nomination, Shipper shall not be required to resubmit its nomination during the begin and end date.

Transporter shall not be obligated to accept nominations in excess of Shipper's MDTQ at each Point of Delivery; provided, however, Shipper shall be entitled to nominate at each Point of Receipt a quantity sufficient to cover any loss and unaccounted for gas provided for in this Tariff.

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**Fourth Revised Sheet No. 125** Fourth Revised Sheet No. 125  
Superseding: Third Revised Sheet No. 125

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(b) When making its nominations, Shipper shall specify by Service Agreement which portion of the Natural Gas quantities to be transported by Transporter is attributable to service under each applicable Rate Schedule.

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

(i) The Timely Nomination Cycle:  
The nomination time line on the Day prior to gas flow shall be the following:

11:30 a.m. CCT Nomination leaves control of the nominating party

11:45 a.m. CCT Receipt of nomination by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs))

12:00 p.m. CCT Send quick response

3:30 p.m. CCT Receipt of completed confirmation by Transporter from upstream and downstream connected parties

4:30 p.m. CCT Receipt of scheduled quantities by Shipper and point operator

(ii) The Evening Nomination Cycle:  
The nomination time line on the Day prior to gas flow shall be the following:

6:00 p.m. CCT Nomination leaves control of nominating party

6:15 p.m. CCT Receipt of nomination by Transporter (including from TTTSPs)

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**Fourth Revised Sheet No. 126** Fourth Revised Sheet No. 126  
Superseding: Third Revised Sheet No. 126

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6:30 p.m. CCT Send quick response  
9:00 p.m. CCT Receipt of completed confirmations by  
Transporter from upstream and downstream  
connected parties  
10:00 p.m. CCT Transporter provides scheduled quantities  
to affected Shippers and point operators,  
and provides scheduled quantities to  
bumped parties (notice to bumped parties)

Scheduled quantities resulting from an Evening Nomination  
that does not cause another Service Requester on the subject  
Transportation Service Provider to receive notice that it is  
being bumped should be effective at 9:00 a.m. CCT of gas  
Day; and when an Evening Nomination causes another Service  
Requester on the subject Transportation Service Provider to  
receive notice it is being bumped, the scheduled quantities  
should be effective at 9:00 a.m. CCT on gas Day.

(iii) The Intraday 1 Nomination Cycle:  
The nomination time line on the Day of gas flow shall  
be the following:

10:00 a.m. CCT Nomination leaves control of nominating  
party  
10:15 a.m. CCT Receipt of nomination by Transporter  
(including from TTTSPs)  
10:30 a.m. CCT Send quick response  
1:00 p.m. CCT Receipt of completed confirmations by  
Transporter from upstream and downstream  
connected parties  
2:00 p.m. CCT Transporter provides scheduled quantities  
to affected Shippers and point operators,  
and provides scheduled quantities to  
bumped parties (notice to bumped parties)

Scheduled quantities resulting from Intraday 1 Nominations  
should be effective at 5:00 p.m. CCT on gas Day.

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**Fourth Revised Sheet No. 126A** Fourth Revised Sheet No. 126A  
Superseding: Third Revised Sheet No. 126A

11. Nominations cont'd

(iv) The Intraday 2 Nomination Cycle:  
The nomination time line on the Day of gas flow  
shall be the following:

5:00 p.m. CCT	Nomination leaves control of nominating party
5:15 p.m. CCT	Receipt of nomination by Transporter (including from TTTSPs)
5:30 p.m. CCT	Send Quick Response
8:00 p.m. CCT	Receipt of completed confirmations by Transporter from upstream and downstream connected parties.
9:00 p.m. CCT	Transporter provides scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from Intraday 2 Nominations  
should be effective at 9:00 p.m. CCT on gas Day. Bumping is  
not allowed during the Intraday 2 Nomination Cycle.

(v) For purposes of 11.1(b), (ii), (iii), and (iv) above,  
"provide" shall mean, for transmittals pursuant to  
standards 1.4.x, receipt at the designated site, and  
for purposes of other forms of transmittal, it shall  
mean send or post.

(vi) Model: Refer to Standard 1.3.2, version 1.3.

(c) An intra-day nomination is a nomination submitted after the  
nomination deadline whose effective time is no earlier than  
the beginning of the gas Day and runs through the end of  
that gas Day. Intra-day nominations are for one Day only.  
Intra-day nominations may be used to nominate new supply or  
market.

(d) Bumping: With the sole exception of the Intraday 2  
Nomination Cycle pursuant to Section 11.1(b)(iv), scheduling  
priorities are given to nominations submitted by a firm  
shipper over nominated and scheduled volumes for Preferred  
Short-Haul and interruptible shippers (bumping).  
Transportation Service Provider will provide bumping notices  
on its Internet Web Site and notify affected parties of such  
notices in either of the following ways to be chosen by the  
affected party: Internet email or direct notification to  
the party's Internet URL address.

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**Second Revised Sheet No. 127** Second Revised Sheet No. 127 : Effective  
Superseding: First Revised Sheet No. 127

GENERAL TERMS AND CONDITIONS

11.2 Change in Nominations

(a) Nominations Under Force Majeure: If Shipper experiences an event of force majeure, Transporter may accept, in accordance with the Standard Nomination Cycles, in a nondiscriminatory manner, an emergency nomination from Shipper to be effective upon determination and confirmation by Transporter that, in its reasonable judgment, sufficient capacity is available to provide the requested service.

(b) Make-up Nominations: Transporter will accept a nomination in accordance with the Standard Nomination Cycles to make-up an estimated imbalance under Section 20 hereof, as long as the available information (e.g., metered volumes, estimated production reports, or confirmed nominations) indicates that an imbalance has been incurred, but if it is ultimately determined that no imbalance was incurred, Transporter will not be responsible in any manner to Shipper for accepting its make-up nomination.

(c) Other Nominations: Transporter may accept in a nondiscriminatory manner a nomination submitted by Shipper which does not comply with the requirements of Section 11.1 if, in Transporter's reasonable judgment, the acceptance of such nomination will not adversely affect the timely processing by Transporter of all other Shippers' nominations which do comply hereunder.

11.3 Confirmation

Transporter shall be entitled to rely conclusively on Shipper's nomination of the quantities to be delivered at the Point(s) of Receipt. Shipper shall not nominate for transportation in excess of: (i) the volumes third-party transporter(s) or gatherer(s) have agreed to accept for transportation for delivery to Transporter, or (ii) the volumes third-party Transporter(s) have agreed to accept for delivery from Transporter, whichever is less. Shipper shall be responsible for all dispatching notices to third-party gatherer(s) and transporter(s), for notifying third-party gatherer(s) and transporter(s) of any changes in nominations, and for insuring that third-party gatherer(s) and transporter(s) comply with such changes. Prior to accepting any nominations by Shipper, Transporter may make such inquiries as it deems necessary, including, but not limited to, contacting the responsible dispatching party at each

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11. NOMINATIONS con't

Point of Receipt and each Point of Delivery, to determine that Shipper's nomination will be implemented as stated by Shipper.

- (i) With respect to the timely nomination/confirmation process at a receipt of delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.
- (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.
- (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.
- (iv) With respect to 11.1(b) (i), (ii), and (iii) above, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
  - (4) the Service Requester's Transportation Service Provider did not conduct the confirmation;
  - (5) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation

GENERAL TERMS AND CONDITIONS

11. NOMINATIONS cont'd

- (1) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
- (2) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
- (3) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

- 11.4 Ranking: On the Shipper Nomination Form, Shipper shall provide a predetermined priority (Rank) for all of the Delivery Point(s) and associated quantities nominated under a Transportation Service Agreement to be used by Transporter to limit the deliveries under the Transportation Service Agreement in the event of an interruption or reduction in the receipts of Shipper's gas by Shipper or third parties at the Delivery Point. Shipper shall also provide a predetermined priority at all Receipt Point(s) at which Shipper has nominated gas to be transported under a Transportation Service Agreement to be used by Transporter to limit the receipts of gas from Shipper at the Receipt Point(s) in the event of an interruption or reduction in the quantities of gas that Shipper delivers to Transporter at a Receipt Point(s).



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**Sheet Nos. 129-131** Sheet Nos. 129-131 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 129-131 are reserved for future use

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**First Revised Sheet No. 132** First Revised Sheet No. 132 : Effective

Superseding: Original Sheet No.132

GENERAL TERMS AND CONDITIONS

12. SERVICE SCHEDULING

12.1 Scheduling

Service is deemed scheduled after Shipper submits a nomination in accordance with Section 11 hereof and Transporter confirms the nominated receipt of Natural Gas into the Pipeline Facilities and the nominated delivery of Natural Gas to Shipper or for Shipper's account. Until Transporter has informed Shipper that its nomination, whether timely, evening, or intra-day, is confirmed, such Natural Gas quantities will not be deemed scheduled.

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**Sheet No. 133** Sheet No. 133 : Effective

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**Third Revised Sheet No. 134** Third Revised Sheet No. 134 : Effective

Superseding: Second Revised Sheet No. 134

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES

13.1 Service Priority

(a) The quantities nominated for transportation by Shipper shall be scheduled by Transporter for receipt and delivery in the following order.

- (1) Firm transportation of Natural Gas.
  - (i) from Primary Points of Receipt to Primary Points of Delivery as specified in an Exhibit to Shipper's Service Agreement.
  - (ii) utilizing either a Secondary Point of Receipt or Secondary Point of Delivery, provided, however, that secondary points within the Shipper's capacity path as defined by Primary Points of Receipt to Primary Points of Delivery shall have priority over Shippers utilizing alternate points outside their capacity path.
- (2) Transportation of Natural Gas shipped as Authorized Overrun.
- (3) Transportation of Natural Gas shipped as Preferred Short-Haul in sequence starting with the highest rate; provided, however that a Shipper with a Service Agreement for rates less than the maximum rate may request in advance that Transporter automatically increase its rate as necessary to preserve to Shipper the highest level in the sequence.
- (4) Interruptible transportation in sequence starting with the highest rate; provided, however that a Shipper with a Service Agreement for rates less than the maximum rate may request in advance that Transporter automatically increase its rate as necessary to preserve to Shipper the highest level in the sequence.
- (5) Firm transportation of quantities scheduled for the purpose of resolving a prior imbalance up to but not in excess of the applicable contractual entitlement of such Shipper.
- (6) Interruptible transportation of quantities scheduled for the purpose of resolving a prior imbalance up to but not in excess of the applicable contractual entitlement of such Shipper.

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**Second Revised Sheet No. 135** Second Revised Sheet No. 135 : Effective  
Superseding: First Revised Sheet No. 135

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES con't

(b) In the event a tie for capacity exists within category 13.1(a)(5) or (6) above, Shipper's Service Agreement Request Date will determine the scheduling priority within such category. For such Shippers with the same Request Date, quantities will be scheduled on a pro rata basis of nominated quantities.

(c) Should Shipper be unable to accept the quantities of Natural Gas tendered at the Point(s) of Delivery on any Day, then Transporter may refuse to receive Natural Gas at the Point(s) of Receipt on such Day. Should Shipper be unable to tender quantities of Natural Gas at the Point(s) of Receipt on any Day, then Transporter may refuse to deliver Natural Gas at the Point(s) of Delivery on such Day.

13.2 Impairment of Service

(a) Transporter shall have the unqualified right to interrupt transportation services at any time under Transporter's interruptible Rate Schedule to provide service under Transporter's firm or PSH Rate Schedules. Interruptible services shall be interrupted in sequence starting with interruptible service charged the rate least proximate to the applicable maximum rate. Within each rate category of interruptible service, service shall be interrupted in sequence starting with the service most recently requested and, if necessary, pro rata by Request Date.

(b) Transporter shall have the unqualified right to interrupt transportation services at any time under Transporter's Preferred Short-Haul Rate Schedule to provide service under Transporter's firm Rate Schedules. Preferred Short-Haul services shall be interrupted in sequence starting with Preferred Short-Haul service charged the rate least proximate to the applicable maximum rate. Within each rate category of Preferred Short-Haul service, service shall be interrupted in sequence starting with the service most recently requested and, if necessary, pro rata by Request Date.

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**First Revised Sheet No. 136** First Revised Sheet No. 136 : Effective

Superseding: Original Sheet No.136

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES con't

(c) Transporter shall have the right to curtail or discontinue transportation services, in whole or in part, on all or a portion of its Pipeline Facilities at any time for reasons of force majeure or when, in Transporter's sole judgment, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its Pipeline Facilities. Transporter shall provide Shipper such notice of the curtailment as is reasonable under the circumstances.

(d) In the event of curtailment pursuant to Section 13.2(b) above, service shall be curtailed in the reverse order in which such service was scheduled in accordance with Section 13.1 above.

(e) If curtailment or interruption is caused by an event occurring at a specific Point of Receipt or Point of Delivery, quantities will be curtailed based on the utilization of that Point as firm, preferred or interruptible and in the order specified above.

(f) Without regard to any other remedy provided by law or by the provisions hereof, Transporter shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with a curtailment or interruption order by Transporter in compliance with this Section 13, or any directive from any governmental authority having jurisdiction in the premises.

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FERC Docket: RP10-475-000

**Fourth Revised Sheet No. 137** Fourth Revised Sheet No. 137  
Superseding: Third Revised Sheet No. 137

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES con't

(g) Transporter shall provide Shipper with notice of curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall in any event confirm in writing to the email addresses provided by Shipper for such communications the notice given if originally provided telephonically. Transporter shall also post the notice on the Internet Web Site. Shipper shall have the responsibility to inform its end-users, suppliers, gatherers, other transporters and all other parties involved in the transaction as to any curtailment or interruption.

(h) Shipper shall indemnify Transporter against and hold Transporter harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Transporter, which shall include any curtailment or interruptions described in any part of this Section 13.

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**First Revised Sheet No. 138** First Revised Sheet No. 138 : Effective  
Superseding: Original Sheet No.138

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES con't

13.3 Emergency Situation

- (a) Transporter shall provide notice to any Shipper that is curtailed as a result of a request submitted under the Emergency Situation relief provisions of Section 13.3(b) below. Such notice shall be provided in a time and manner that is reasonable under then existing conditions but no later than within twenty-four (24) hours of such curtailment. In the event Shipper requesting Emergency Situation relief provides the sworn statement required by Section 13.3(b), Transporter shall provide a copy of the sworn statement at the request of any Shipper curtailed to a lower quantity as a result of the anticipated sworn statement.
  
- (b) In the event Transporter is advised by a Shipper that, absent adjustment of the curtailment level contemplated by Section 13.2(f) the Shipper will be unable for the duration indicated by the Shipper to avoid irreparable injury to life or property (including environmental emergencies) ("Emergency Situation"), then Transporter shall adjust its curtailment of all other Shippers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the



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threatened or existing Emergency Situation. While Transporter will make adjustments in curtailment promptly upon notification by Shipper, Shipper must provide Transporter within twenty-four (24) hours of notification a sworn statement including:

- (1) A detailed explanation of and an estimated duration of the Emergency Situation; and
- (2) Affirmation that, if the Emergency Situation is an environmental emergency, the Shipper has made and continues to make all feasible efforts to resolve the environmental emergency, including requests for waiver, exemption, and other relief from any regulation, directive, order or other mandate of a governmental body.

Shipper shall provide Transporter immediate notice of the cessation of the Emergency Situation.

- (c) Transporter shall not be liable for granting exceptions to the curtailment provisions of this Section 13 for any Shipper based upon a request submitted by any such Shipper to Transporter under the Emergency Situation relief provisions of Section 13.3. In the event Shipper does not provide the sworn statement as required by Section 13.3(b), then all quantities attributable to the adjustments made by Transporter shall be billed, in addition to all other charges, at a rate of \$25 per Dth. All revenues attributable to such \$25 per Dth charge shall be credited, pro rata, on the basis of the increase in curtailment caused by the invocation of Section 13.3(b) to those Shippers curtailed to a lower

GENERAL TERMS AND CONDITIONS

13. SERVICE PRIORITY AND IMPAIRMENT OF DELIVERIES con't

quantity as a result of the anticipated sworn statement. Notwithstanding any provision of this Section 13 however, Shipper shall not be entitled to relief under Section 13.3(b) to the extent that (1) an Emergency Situation is due to the Shipper's failure to have adequate transportation arrangements in effect for the delivery of Shipper's Natural Gas at the Point(s) of Delivery in effect hereunder during the relevant period, or (2) the quantity of Natural Gas required to meet such Emergency Situation exceeds such Shipper's firm contractual rights.

- (d) If Transporter is requested to grant relief under Section 13.3(b), then the requesting Shipper's bill for such Month shall be adjusted upward by an amount equal to the aggregate curtailment adjustment quantity requested by the Shipper pursuant to Section 13.3(b) multiplied by the reservation charge for Rate Schedule FT-1, or the FT-2 or FT-3 usage rate, as applicable. All revenues attributable to such adjustment shall be credited, on a pro rata basis, based on each Shipper's additional curtailment quantity due to the Emergency Situation divided by the aggregate of all Shippers' additional curtailment quantity due to the Emergency Situation, to those Shippers curtailed as a result of the Emergency Situation.

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**Sheet Nos. 141-150** Sheet Nos. 141-150 : Effective

SHEETS RESERVED FOR FUTURE USE

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**Fourth Revised Sheet No. 151** Fourth Revised Sheet No. 151  
Superseding: Third Revised Sheet No. 151

GENERAL TERMS AND CONDITIONS

14. DETERMINATION OF RECEIPTS AND DELIVERIES

14.1 Allocation of Actual Quantities at Point of Receipt

The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting NAESB allocation types. The party receiving nominations should provide allocation statements.

(a) In the event Natural Gas from multiple Shippers is measured by Transporter's meter at any Point of Receipt, all Shippers delivering Natural Gas to Transporter at that Point of Receipt shall provide, or cause to be provided, to Transporter a predetermined allocation statement from its seller(s) and/or third-party transporter(s)/ operator(s) delivering Natural Gas to Transporter at that Point of Receipt for the purpose of determining the quantity of Natural Gas in Dth to be received by Transporter for the account of Shipper at that Point of Receipt for the Day(s) (and in the aggregate for the Month) for which Shipper has made its nomination(s). The upstream party providing the point confirmation should submit the predetermined allocation to the allocating party after or during confirmation and before start of gas Day.

(b) Except as provided in subsection 14.1(c), the predetermined allocation statements provided for a Point of Receipt on Transporter's Pipeline Facilities shall include:

(1) an allocation by the operator of the facilities immediately upstream of Transporter's Point of Receipt of the actual quantities of Natural Gas in Dth to be received by Transporter which allocates each working interest owner's Natural Gas from the production source field(s) on each Day following the Day of gas flow based on one and only one of the allocation methodology types agreed upon as follows; ranked, pro rata, percentage, swing or operator provided value.

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**Third Revised Sheet No. 152** Third Revised Sheet No. 152  
Superseding: Second Revised Sheet No. 152

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14. DETERMINATION OF RECEIPTS AND DELIVERIES con't

(A) ranked by the order in which gas received by Transporter at the Receipt Point is to be allocated to each working interest owner in the production source field(s);

(B) pro rata based on the confirmed nominations Transporter receives from the Shippers purchasing receiving gas from each working interest owner;

(C) percentage of the gas received by Transporter;

(D) designation of a "swing" contract for receipt volume imbalances; or

(E) operator provided value.

In the event the Natural Gas received by Transporter at a Point of Receipt is from more than one production source field, the operator of the facilities immediately upstream of the Point of Receipt shall provide Transporter an allocation of the Natural Gas delivered to the Point of Receipt from each production source pursuant to one of the methods under subsection 14.1(b) (1).

(2) an allocation by each working interest owner of the various Service Agreements supplied by said working interest owner's share of actual quantities of Natural Gas in Dth received at the Point of Receipt on the Day after the Day of gas flow based on one and only one of the allocation methodology types agreed upon as follows; ranked, pro rata, percentage, swing; or operator provided value:

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**First Revised Sheet No. 152A** First Revised Sheet No. 152A : Effective

Superseding: Original Sheet No.152A

GENERAL TERMS AND CONDITIONS

14. DETERMINATION OF RECEIPTS AND DELIVERIES con't

- (A) ranked by the order in which the Service Agreements are to be allocated to the extent Natural Gas is available as allocated pursuant to subsection 14.1(b)(1);
- (B) pro rata based on the Shipper's confirmed nominations;
- (C) percentage of the gas received by Transporter;
- (D) designation of a "swing" contract for receipt volume imbalances; or
- (E) operator provided value.

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**Fourth Revised Sheet No. 153** Fourth Revised Sheet No. 153  
Superseding: Substitute Third Revised Sheet No. 153

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14. DETERMINATION OF RECEIPTS AND DELIVERIES con't

Predetermined allocation statements shall include the contract number assigned by Transporter to each transportation Service Agreement and the name of the Shipper thereunder.

(c) At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.

(d) A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Transporter's existing tariff or general terms and conditions, the latter will prevail.

(e) The predetermined allocation statement for Point(s) of Receipts interconnecting with third-party pipelines shall be provided by the third-party pipeline and shall rank the various transportation Service Agreements to be supplied at the Point of Receipt in accordance with one of the methodologies enumerated in subsection 14.1(b)(2). In the event there is a conflict between the foregoing methodologies and the third-party pipeline's provision in its FERC Gas Tariff governing the allocations of deliveries, said pipeline company and Transporter shall mutually agree on the predetermined allocation methodology to be used. The ranking shall include the contract number assigned by Transporter to each transportation Service Agreement and the name of the Shipper thereunder.

(f) Each predetermined allocation statement and revision thereto, must be received by Transporter's Transportation Services by calling 1-800-428-3676 and following with a facsimile by 9:00 a.m. the next Business Day. If there are no additions in nominations by a Shipper at a Point of Receipt or other changes, the current predetermined allocation statement will stay in effect as submitted until it is changed pursuant to the foregoing procedures.

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**Fourth Revised Sheet No. 154** Fourth Revised Sheet No. 154  
Superseding: Substitute Third Revised Sheet No. 154

GENERAL TERMS AND CONDITIONS

14. DETERMINATION OF RECEIPTS AND DELIVERIES con't

(g) In the event Transporter does not receive a predetermined allocation statement, or revised predetermined allocation statement, for a Point of Receipt in a timely manner in accordance with 14.1(d) above, each Shipper agrees that Transporter shall be authorized to allocate Natural Gas supplies at that Point of Receipt on a pro rata basis based on all scheduled quantities at that Point of Receipt.

(h) Shipper hereby agrees that Transporter shall have the right to rely conclusively on the foregoing predetermined allocation for the purpose of determining the daily quantities of Natural Gas received by Transporter for the account of Shipper at each Point of Receipt.

(i) A new allocation detail may be needed when a nomination changes.

14.2 Allocation of Actual Quantities at Points of Delivery

(a) The downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas Day. The allocation statement shall allocate the actual quantities of gas in Dth delivered each Day (and in the aggregate for the Month) for the account of its Shippers at all of its various Delivery Points. The allocation methodology types agreed upon are as follows; ranked, pro rata, percentage, swing and operator provided value:

(i) ranked by the order in which the Transportation Service Agreements are to be allocated to the extent gas is available as allocated pursuant to subsection 14.2(b);



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- (ii) pro rata based on confirmed nominations;
  - (iii) percentage of the gas available for delivery at the Delivery Point;
  - (iv) designation of a "swing" contract for delivery volume imbalances; Or
  - (v) operator provided value.
- (b) If there is sufficient quantity of gas to match the total scheduled quantities within a particular category below, then the available quantity of gas shall be allocated pro rata within that category based on scheduled quantities; and if there is a quantity of gas in excess of the quantity needed to match the total scheduled quantities within the last category below, then the excess quantity of gas shall be allocated pro rata within that category based on scheduled quantities. Allocations at Delivery Points shall be performed at the lowest level of detail provided by Shipper's nominations for gas to be delivered by Transporter at the Delivery Points.
- (i) the scheduled quantity of gas in Dth for FT-1, FT-2, and FT-3 Transportation Service Agreements at Primary Delivery Points up to Shipper's MDTQ multiplied by the Total Heating Value;
  - (ii) the scheduled quantity of gas in Dth for FT-1, FT-2, and FT-3 Transportation Service Agreements at Secondary Delivery Points and the scheduled quantity of gas for FT-1, FT-2, and FT-3 Transportation Service Agreements in excess of Shipper's MDTQ at Primary Delivery Points multiplied by the Total Heating Value;

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**Third Revised Sheet No. 154B** Third Revised Sheet No. 154B  
Superseding: Sub Second Revised Sheet No. 154B

GENERAL TERMS AND CONDITIONS

14. DETERMINATION OF RECEIPTS AND DELIVERIES con't

(iii) the scheduled quantity of Authorized Overrun gas in Dth for FT-1, FT-2, and FT-3; Transportation Service Agreements;

(iv) the scheduled quantity of gas for PSH Transportation Service Agreements;

(v) the scheduled quantity of gas for IT-1 Transportation Service Agreements.

(c) At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.

(d) A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Transporter's existing tariff or general terms and conditions, the latter will prevail.

14.3 Prior Period Adjustments

Any allocation data or corrections received by Transporter after it has closed the previous Month of flow shall be handled as a prior period adjustment. Transporter shall process late allocation data or corrections of allocation errors as soon as practicable but no later than six Months after the applicable Month of flow in question with a three Month rebuttal period. These deadlines do not apply in the case of deliberate omission or misrepresentation by a party (or its representative) or mutual mistake of fact. The parties' other statutory or contractual rights shall not be diminished by this provision. The correction shall be made to the Month of flow with a restated line item and a new total quantity of gas for the specific Day(s) and the respective Month.

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**Third Revised Sheet No. 155** Third Revised Sheet No. 155  
Superseding: Second Revised Sheet No. 155

GENERAL TERMS AND CONDITIONS

15. PENALTY CREDITING

15.1 Crediting of Penalty Revenue

All penalty amounts received by Transporter, net of costs, pursuant to Section 19.3, shall be credited to all Shippers who had Service Agreements in effect during said Month and were not in violation of the OFO (non-offending Shippers).

(a) The credit shall be calculated without interest to each non-offending Shipper on a pro rata basis based on the monthly MDTQ in effect under each of the Shipper's Service Agreements.

(b) The credit will be reflected on each Shipper's respective invoice within sixty (60) Days after the end of the calendar Month any penalty was collected.

(c) Any amount collected pursuant to Section 19.3 shall be credited only to those non-offending Shippers, and reduced by any costs directly incurred and revenues foregone by Transporter as a result of an OFO violation. Net revenues credited to shippers will be penalties received less costs directly incurred. Costs directly incurred are actual out-of-pocket costs incurred by Transporter in response to the emergency situation or OFO. Revenues foregone are those revenues that would have otherwise been earned had volumes not been curtailed as a result of an OFO violation. These revenues are measured in relation to each affected Shipper's respective Transportation Service Agreement and the volumes and rates provided for therein.

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GENERAL TERMS AND CONDITIONS

RESERVED FOR FUTURE USE

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**Original Sheet No. 157** Original Sheet No. 157 : Effective

GENERAL TERMS AND CONDITIONS

16. UNIFORM RATES OF FLOW

All Natural Gas shall be delivered by Shipper or for the account of Shipper into Transporter's Pipeline Facilities at rates as constant as operationally feasible through the Day. Transporter shall not be obligated to accept Natural Gas under any Rate Schedule in excess of uniform hourly rates.

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**Original Sheet No. 158** Original Sheet No. 158 : Effective

GENERAL TERMS AND CONDITIONS

17. INSTALLATION OF FLOW CONTROL EQUIPMENT

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

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**First Revised Sheet No. 159** First Revised Sheet No. 159 : Effective  
Superseding: Original Sheet No.159

GENERAL TERMS AND CONDITIONS

18. POINTS OF RECEIPT AND DELIVERY

18.1 Point(s) of Receipt

The Point(s) of Receipt shall be specified on Exhibit "A" or "B," as applicable, to Shipper's Service Agreement and shall be deemed to be Primary Point(s) of Receipt. For services under Rate Schedules FT-1, FT-2, FT-3 and IT-1, all Point(s) of Receipt on Transporter's Pipeline Facilities, not listed on such Exhibit to Shipper's Service Agreement shall be considered Secondary Point(s) of Receipt.

18.2 Point(s) of Delivery

The Point(s) of Delivery shall be specified on Exhibit "A" or "B," as applicable, to Shipper's Service Agreement and shall be deemed to be Primary Point(s) of Delivery. All Point(s) of Delivery on Transporter's Pipeline Facilities that are otherwise authorized delivery points for that service and not listed on such Exhibit to Shipper's Service Agreement shall be considered Secondary Point(s) of Delivery.

18.3 Addition of Point(s) of Receipt and Delivery for Firm Services

Subject to the terms of this Section 18.3 and with the consent of Transporter, any Shipper receiving service under Rate Schedule FT-1, Rate Schedule FT-2, or Rate Schedule FT-3 may request to add or delete Primary Point(s) of Receipt or Primary Point(s) of Delivery at any time during the term of such Shipper's Service Agreement by amending the designations of Primary Point(s) of Receipt and/or Delivery in Exhibit "A" or "B," as applicable, to such Service Agreement. Additions or deletions of Primary Point(s) of Receipt or Point(s) of Delivery by a Shipper shall be permitted only to the extent that sufficient capacity exists. Addition of new Primary Point(s) of Receipt or Delivery to Transporter's Pipeline Facilities will only be made pursuant to the terms of Section 28 of Transporter's GT&C.

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GENERAL TERMS AND CONDITIONS

18. POINTS OF RECEIPT AND DELIVERY con't

18.4 Secondary Point(s) of Receipt and Delivery for Firm Services

Any Shipper receiving firm transportation service under Rate Schedules FT-1, FT-2, and FT-3 shall be permitted to nominate service on a secondary basis at all Point(s) of Receipt and Point(s) of Delivery on Transporter's Pipeline Facilities in accordance with the GT&C of Transporter's Tariff. Nominations for the receipt or delivery of Natural Gas at Secondary Point(s) of Receipt or Secondary Point(s) of Delivery shall be permitted only to the extent that: (1) sufficient capacity exists at such Point(s); and (2) Transporter's Pipeline Facilities can operationally accommodate such receipt or delivery. Shippers nominating service at any Point of Receipt or Point of Delivery that such Shipper designates in its Service Agreement as a Primary Point of Receipt or Primary Point of Delivery shall have priority over Shippers nominating service at such Point of Receipt or Point of Delivery on a secondary basis. Shippers nominating firm service on a primary or secondary basis at any Point of Receipt or Point of Delivery shall have priority over Shippers nominating interruptible service at such Point of Receipt or Point of Delivery. For any Shipper receiving service under Rate Schedules FT-1, FT-2, and FT-3, the sum of the quantities of Natural Gas nominated at all Primary and Secondary Points of Receipt and at all Primary and Secondary Points of Delivery may not exceed the MDTQ specified in each such Shipper's Service Agreement.

18.5 Point(s) of Receipt and Delivery for Interruptible Service

The location of Point(s) of Receipt and Delivery for any Shipper receiving interruptible transportation service under Rate Schedule IT-1 shall be specified in Exhibit "A" to such Shipper's Service Agreement.



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**First Revised Sheet No. 161** First Revised Sheet No. 161 : Effective  
Superseding: Original Sheet No.161

GENERAL TERMS AND CONDITIONS

18. POINTS OF RECEIPT AND DELIVERY con't

18.5 cont'd

However, any such Shipper may nominate receipts and deliveries of Natural Gas at any Point of Receipt or Delivery on Transporter's Pipeline Facilities in accordance with such Service Agreement and the GT&C of Transporter's Tariff, with no impact on such Shipper's interruptible queue priority.

18.6 Point(s) of Receipt and Delivery for Preferred Short-Haul Service

A) Receipt Point

The Point of Receipt for any Shipper receiving Preferred Short-Haul Transportation Service under Rate Schedule PSH shall be limited to the PDF, as specified in Exhibit "A" to such Shipper's Service Agreement.

B) Delivery Point(s)

The Point(s) of Delivery for any Shipper receiving Preferred Short-Haul Transportation Service under Rate Schedule PSH shall be limited to the PDF and shall be specified in Exhibit "A" to such Shipper's Service Agreement. Subject to the terms of this Section 18.6 and with the consent of Transporter, any Shipper receiving service under Rate Schedule PSH may request to add or delete Primary Point(s) of Delivery at any time during the term of such Shipper's Service Agreement by amending the designations of Primary Point(s) of Delivery in Exhibit "A" or "B," as applicable, to such Service Agreement; provided, however that PSH Shippers are limited to delivery points on the PDF. Additions or deletions of Primary Point(s) of Delivery by a Shipper shall be permitted only to the extent that sufficient capacity exists. Addition of new Primary Point(s) of Delivery to Transporter's Pipeline Facilities will only be made pursuant to the terms of Section 28 of Transporter's GT&C.

Any Shipper receiving Preferred Short-Haul transportation service under Rate Schedule PSH shall be permitted to nominate service on a secondary basis at all PDF Points of Delivery on Transporter's Pipeline Facilities in accordance with the GT&C of Transporter's Tariff. Nominations for the delivery of Natural Gas at such Secondary Point(s) of Delivery shall be permitted only to the extent that: (1) sufficient capacity exists at such Point(s); (2) Transporter's Pipeline Facilities can operationally accommodate such delivery; and (3) services provided to firm shippers will not be impaired.

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FERC Docket: RP99-502-000

**Original Sheet No.161A** Original Sheet No.161A : Effective

18.6 Point(s) of Receipt and Delivery for Preferred Short-Haul Service

B) Delivery Point(s) Cont'd

PSH Shippers nominating service at any Point of Delivery that such Shipper designates in its Service Agreement as a Primary Point of Delivery shall have priority over other PSH Shippers nominating service at such Point of Delivery on a secondary basis.

PSH Shippers nominating service on a primary or secondary basis at any Point of Delivery shall have priority over Shippers nominating interruptible service at such Point of Delivery. For any Shipper receiving service under Rate Schedule PSH , the sum of the quantities of Natural Gas nominated at all Primary and Secondary Points of Delivery may not exceed the MDTQ specified in each such Shipper's Service Agreement.

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FERC Docket: RP10-475-000

**Third Revised Sheet No. 162** Third Revised Sheet No. 162  
Superseding: Second Revised Sheet No. 162

GENERAL TERMS AND CONDITIONS

19. OPERATIONAL FLOW ORDERS

19.1 General

Transporter may issue operational flow orders to preserve the integrity of Transporter's Pipeline Facilities, to ensure adequate operating pressures, to have adequate supplies in the Pipeline Facilities, to assure adequate Transporter Use Gas, to maintain firm services and to optimize the operation of the system. Transporter may also issue operational flow orders on a nondiscriminatory basis to respond to other unforeseen circumstances; provided, however, that if Transporter issues an operational flow order pursuant to this "catch-all" provision, Transporter will report the justification for the order to the Commission. To the extent possible, Transporter will identify discrete Shipper(s) whose action(s) require Transporter to issue an operational flow order(s) and Transporter will limit the applicability of the operational flow order(s) to such Shipper(s). Notwithstanding the foregoing, if Transporter is unable to identify discrete Shipper(s) whose action(s) require issuance of an operational flow order, any operational flow order will be applicable to all Shippers on Transporter's Pipeline Facilities.

19.2 Notices

If Transporter is required to issue an operational flow order, Transporter will post a notice of such operational flow order on its Internet Web Site, and email or fax the notice to all affected Shippers, with an explanation of the necessity of such order, the Shipper(s) to which the order is directed, and the anticipated duration of such order. As soon as information is available regarding the status of any operational variables, Transporter will post such information on its Internet Web Site. To the extent discrete Shipper(s) are not identified in any notice of an operational flow order, such order will be applicable to all Shippers. Unless

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*FERC Docket: RP00-392-001*

**Third Revised Sheet No. 163** Third Revised Sheet No. 163 : Effective  
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GENERAL TERMS AND CONDITIONS

19. OPERATIONAL FLOW ORDERS con't

19.3 Penalties

To the extent Transporter issues an operational flow order and Shipper(s) does not comply with such order, Transporter will assess and Shipper will be obligated to pay Transporter a charge of \$40 per Dth for any quantities that are not within a 5% tolerance for failure to comply with such order. Such fee will be assessed on each Dth of Natural Gas received into or delivered out of Transporter's Pipeline Facilities when such receipts and/or deliveries are not in compliance with any operational flow order in effect.

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**Fourth Revised Sheet No. 164** Fourth Revised Sheet No. 164  
Superseding: Third Revised Sheet No. 164

GENERAL TERMS AND CONDITIONS

20. RESOLUTION OF IMBALANCES

20.1 Shipper's Duty to Control Imbalances

A Shipper receiving any transportation service from Transporter will use, or will cause any party receiving or delivering Shipper's Natural Gas to use, all reasonable efforts to ensure that receipts and deliveries of Natural Gas are equal to the quantities scheduled by Transporter.

20.2 Resolution of Monthly Imbalances

All imbalances accrued by Shipper under its Service Agreements shall be resolved on a monthly basis pursuant to the provisions herein. No imbalance charge should be imposed when a prior period adjustment applied to the current period causes or increases a current monthly charge. Transporter will calculate, for each Service Agreement, the difference (imbalance) which exists between (i) the summation of the actual quantities of gas received from Shipper or for Shipper's account each Day at the Point(s) of Receipt during the Month and (ii) the summation of actual quantities of gas delivered to Shipper or for Shipper's account each Day at the Point(s) of Delivery during the Month. All such imbalances accrued by Shipper under each of its Service Agreements will be combined to derive a "Net Monthly Imbalance" (NMI) (in Dth).

(a) On or about the tenth (10th) Business Day after the end of the production Month, Transporter shall post on its Internet Web Site the Net Monthly Imbalance accrued by each Shipper during the previous Month, provided Shipper notifies Transporter's Transportation Services Department by submitting a Trading Election Form no later than three (3) Business Days after the end of the Month to post its Net Monthly Imbalance for said Month. After the Net Monthly Imbalances are posted, a Shipper will have five (5) Business Days (Trading Period) within which to trade its offsetting Net Monthly Imbalance with another Shipper. Both Shippers that agree to trade all or part of their Net Monthly Imbalance must notify Transporter's Transportation Services Department in writing on the form of Confirmation of Agreement to Trade Imbalances by 5:00 p.m. Central Clock Time on the last Day of the Trading Period. [Trading Election Form and Confirmation of Agreement to Trade Imbalances Form shall be available for downloading on Transporter's Internet Web Site.]

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*FERC Docket: RP10-475-000*

**First Revised Sheet No. 164A** First Revised Sheet No. 164A  
Superseding: Original Sheet No. 164A

GENERAL TERMS AND CONDITIONS

20.2 Resolution of Monthly Imbalances (cont'd)

(b) Imbalance Percentage

The Imbalance Percentage for each Shipper shall be the absolute value of the Shipper's NMI divided by the summation of the actual quantities of gas received from Shipper or for Shipper's account each Day at the Point(s) of Receipt during the Month.

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Superseding: Original Sheet No.165

GENERAL TERMS AND CONDITIONS

20. RESOLUTION OF IMBALANCES con't

(c) Imbalance Due Transporter

When Shipper's NMI is the Result of Shipper's actual deliveries exceeding actual receipts, Shipper shall pay Transporter for Shipper's NMI (in Dth) an amount equal to the NMI multiplied by the average weekly Spot Index Price, as determined in Section 20.2(e).

(d) Imbalance Due Shipper

When Shipper's NMI is the result of Shipper's actual receipts exceed actual Deliveries, Transporter shall pay Shipper the NMI (in Dth) an amount equal to the NMI multiplied by the average weekly Spot Index Price, as determined in Section 20.2(e) herein.

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**Second Revised Sheet No. 166** Second Revised Sheet No. 166  
Superseding: First Revised Sheet No. 166

GENERAL TERMS AND CONDITIONS

20. RESOLUTION OF IMBALANCES con't

It is agreed, however, that in the event Shipper owes Transporter any payments under subsection (c) above from a previous Month which are past due, Transporter shall have the right hereunder to offset payments it owes to Shipper under this subsection (d) by such past due amounts.

(e) The Index Price for each specific Month shall be equal to the arithmetic average of the weekly Spot Gas Prices as published in Natural Gas Intelligence Weekly Gas Price Index (NGI), in the table "Spot Gas Prices Delivered to Pipelines", under the heading "Louisiana-Regional Avg.", in the column for the specific Month Avg. during the Month in which Shipper's NMI was incurred.

Transporter will use the weekly postings published in NGI during the Month within the following parameters. The first weekly posting to be used will be the first issue of NGI published during the Month. The last weekly posting to be used will be the last issue of said publication published no later than two (2) Business Days prior to the end of the Month.

In the event the NGI or the "Louisiana-Regional Avg." posting contained therein is discontinued, Transporter will revise this subsection 20.2(e) to substitute another price index generally reflective of a gas price at the Delivery Points.



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**Second Revised Sheet No. 167** Second Revised Sheet No. 167  
Superseding: First Revised Sheet No. 167

GENERAL TERMS AND CONDITIONS

20. RESOLUTION OF IMBALANCES con't

(f) The provisions of Section 8 shall apply to payments due pursuant to subsection 20.2(c) or (d).

(g) To aid Shippers in managing the magnitude of their individual NMI, Transporter will post on Transporter's Internet Web Site daily by Transportation Service Agreement an Estimated Net Imbalance calculated as above with the data available then to date.

20.3 Trading Service

On or before the tenth (10th) Business Day following the end of a Month, Transporter shall post on its Internet Web Site the Net Monthly Imbalance accrued by each Shipper hereunder during the previous Month. After the NMI are posted, Shippers will have five (5) Business Days (Trading Period) within which to trade offsetting NMI. Both Shippers that agree to trade all or part of their NMI must notify Transporter's Transportation Service Department in writing on the form of Confirmation Of Agreement to Trade Imbalances by 5:00 p.m. Central Clock Time on the last Day of the Trading Period, otherwise the trade will not be effective.

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Superseding: First Revised Sheet No. 168

GENERAL TERMS AND CONDITIONS

21. INTERNET WEB SITE

21.1 General

Transporter shall maintain an Interactive Internet Website for the purpose of providing its Shippers and third parties equal and timely access to Transporter's transportation log, and information relevant to the availability of capacity on Transporter's Pipeline Facilities. Transporter shall also provide each Shipper access through its Interactive Internet Website via Internet Web Site to information related to activity under its agreements with Transporter, such as nominations and estimated imbalances. Furthermore, Transporter shall administer each Shipper's release of firm capacity, as more particularly described in Section 22 hereof, through its Interactive Internet Website and shall provide to Shipper other interactive capabilities. All forms set forth or referenced in the Tariff will also be maintained on Transporter's Internet Web Site for Shipper's use.

21.2 Submission of Information and Communications

Unless specifically provided otherwise in this Tariff, the generic provisions of this Tariff requiring that notices, requests, and other communications be in writing may be satisfied by Shipper through submission of such communications over Transporter's Internet Web Site. Transportation Service Agreement specific notices requiring communications to be in writing remain unchanged unless agreed to otherwise by the parties. Submission of information and communications through Transporter's Interactive Internet Website shall be legally binding on Shipper and Transporter.

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**Third Revised Sheet No. 169** Third Revised Sheet No. 169  
Superseding: Second Revised Sheet No. 169

GENERAL TERMS AND CONDITIONS

21. INTERNET WEB SITE con't

21.3 System Description

The Internet Web Site feature will display a menu of available information. Any party can access the Internet Web Site and will be able to download information provided thereon. Transporter shall maintain and retain daily back-up records of the information displayed on Internet Web Site for a period of three (3) years for purposes of restoring such information to on-line availability if there is a computer malfunction or loss. Completed transactions and posted information will remain on the Internet Web Site for at least thirty (30) Days and then will be archived. Archived information will be available from Transporter upon fifteen (15) Days' prior written notice. Copies of archived information will be made available at \$.10 per page if a paper copy is requested or \$10.00 per diskette.

21.4 Access to Interactive Internet Website

To receive access to Transporter's Interactive Internet Website, a party must execute and comply with the terms of the Form of the Interactive Internet Website Agreement included in this Tariff. Customer shall be responsible for providing all computer equipment and specified Internet browser software necessary to interface with the Interactive Internet Website.

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GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY

22.1 General

This Section 22 sets forth the sole means by which a Shipper under Rate Schedules FT-1, FT-2 or FT-3 ("Releasing Shipper") may, pursuant to Section 284.243 of the Commission's Regulations, release its firm capacity rights to a third party ("Replacement Shipper").

22.2 Capacity Eligible for Release

Any Shipper with an FT-1 or FT-3 Service Agreement with Transporter may release firm capacity on a permanent or temporary basis pursuant to this Section 22.

Any Shipper with a FT-2 Service Agreement with Transporter may release firm capacity on a temporary basis only pursuant to this Section 22.

22.3 Types of Releases

- (a) Permanent Release of capacity, or capacity released on a permanent basis, shall be for a term equal to the remaining term of the Releasing Shipper's Service Agreement. All permanent releases of capacity under Rate Schedule FT-1 or FT-3 shall be at or above the maximum rate if applicable pursuant to Section 22.12 hereof, unless otherwise agreed to between Shipper and Transporter. In addition, any Replacement Shipper must satisfy the availability requirements of Rate Schedule FT-1 or FT-3 and must meet Transporter's requirements related to creditworthiness set forth in Section 10 hereof. Any Replacement Shipper shall be required to execute a separate FT-1 Service Agreement with Transporter for the remaining term of the Releasing Shipper's Service Agreement with

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GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

Transporter. Any Replacement Shipper must also contract for the firm Point(s) of Receipt and Delivery specifically set forth in a Releasing Shipper's offer of firm capacity under Section 22.6 below. The Replacement Shipper has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 22.

- (b) Temporary Release of capacity, or capacity released on a temporary basis, shall be for a term less than the remaining term of the Releasing Shipper's Service Agreement. A Releasing Shipper may release all or part of its firm capacity under an FT-1, FT-2 or FT-3 Service Agreement with Transporter to a Replacement Shipper on a temporary basis, pursuant to one of the following methods and the further provision of this Section 22.
  - (1) Term. A Releasing Shipper may temporarily release capacity on a firm basis for a specified term. The minimum term for a Temporary Release shall be one Day. All Temporary Releases exceeding one Day must be offered for a consecutive number of Days.
  - (2) Recall Rights. A Releasing Shipper has the right to define the condition(s) precedent which will result in a recall of the released firm capacity and the conditions under which the recalled capacity will be returned to the Replacement Shipper (reput) upon expiration of the associated recall of capacity; provided, however, that such

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**Third Revised Sheet No. 171A** Third Revised Sheet No. 171A  
Superseding: Second Revised Sheet No. 171A

GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shippers' Service Agreement with Transporter nor with any provision of Transporter's Tariff. Furthermore, the recall events specified by the Releasing Shipper must be identifiable and nondiscriminatory.

(i) A Releasing Shipper may, to the extent permitted as a condition of the capacity release, recall released capacity by providing notice to the Transporter and to the Replacement Shipper by the following times for each cycle:

(1) Timely Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Acquiring Shipper no later than 8:00 a.m. on the Day that Timely Nominations are due;

(b) Transporter should provide notification of such recall to all affected Acquiring Shippers no later than 9:00 a.m. on the Day that Timely Nominations are due (Central Clock Time);

(2) Early Evening Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Acquiring Shipper no later than 3:00 p.m. on the Day that Evening Nominations are due;

(b) Transporter should provide notification of such recall to all affected Acquiring Shippers no later than 4:00 p.m. on the Day that Evening Nominations are due (Central Clock Time);

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**Sixth Revised Sheet No. 172** Sixth Revised Sheet No. 172  
Superseding: Fifth Revised Sheet No. 172

GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

(3) Evening Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Acquiring Shipper no later than 5:00 p.m. on the Day that Evening Nominations are due;

(b) Transporter should provide notification of such recall to all affected Acquiring Shippers no later than 6:00 p.m. on the Day that Evening Nominations are due (Central Clock Time);

(4) Intraday 1 Recall Notification:

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

(b) Transporter should provide notification of such recall to all affected Acquiring Shippers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due (Central Clock Time); and

(5) Intraday 2 Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Acquiring Shipper no later than 2:30 p.m. on the Day that Intraday 2 Nominations are due;

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**Fourth Revised Sheet No. 173** Fourth Revised Sheet No. 173  
Superseding: Substitute Third Revised Sheet No. 173

GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

(b) Transporter should provide notification of such recall to all affected Acquiring Shippers no later than 3:30 p.m. on the Day that Intraday 2 Nominations are due (Central Clock Time).

(ii) The recall notification provided to Transporter should be expressed in terms of the total released capacity entitlement that is the subject of the recall.

(iii) Transporter has the right to rely on a Releasing Shipper's notice and a Releasing Shipper shall defend and indemnify Transporter against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that it was not notified or that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its offer.

(iv) Recalls or reputs on a non-Business Day: The Releasing Shipper recalling or reputting capacity on a non-Business Day must provide notice to Transporter and the first Replacement Shipper at least one hour prior to the notice deadline for the applicable nomination cycle provided for in this section. The notice to Transporter must be telephonic to Transporter's Gas Control Center (1-877-548-1800). Transporter should provide telephonic notification of such recall or reput to all affected Replacement Shippers by the applicable nomination cycle deadline.

(v) In the event of an intra-day capacity recall, Transporter will determine the allocation of capacity between the Releasing Shipper and the



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**Second Revised Sheet No. 173A** Second Revised Sheet No. 173A  
Superseding: First Revised Sheet No. 173A

GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

Acquiring Shipper (s) based upon the Elapsed Prorata Capacity (EPC). Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

(vi) If, recall is subject to reput and time remains in the term for which the firm capacity was temporarily released, the capacity shall revert back (reput) to a Replacement Shipper as specified in the Releasing Shipper's offer or upon notice given by the Releasing Shipper by 8:00 a.m. Central Clock Time on nomination Day provided that the reput shall be effective as of the start of a Day and must be for a term of at least one full Day for exercising a recall of capacity prior to the contract Day on which the capacity is again to be released. When capacity is recalled it may not be reput for the same gas Day. If, following the recall, no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Shipper for either its continued utilization or for release again pursuant to this Section 22.

(3) Secondary Release of Firm Capacity. Any Replacement Shipper who has acquired firm capacity hereunder on a temporary basis may subsequently release the capacity it has acquired, as set forth on the Exhibit A to its Temporary Capacity Release Service Agreement(s), in accordance with the terms of this Section 22 ("Secondary Release"), thereby becoming a Releasing Shipper. A Secondary Release of capacity may not operate to release greater capacity rights than are held by the Shipper offering to release such capacity rights. Furthermore, to the extent that a Releasing Shipper acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Shipper, and any subsequent Secondary Release of the capacity thereafter, also shall be subject to the right of recall.

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**Sixth Revised Sheet No. 174** Sixth Revised Sheet No. 174  
Superseding: Fifth Revised Sheet No. 174

GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

(4) Releasing Shippers; Prearranged Release of Firm Capacity For 31 Days or Less. A Releasing Shipper under Rate Schedules FT-1, FT-2 or FT-3 who wishes to release its firm capacity to a third party on a temporary basis for a term of 31 Days or less may do so without posting an offer for its firm capacity. The minimum term for such release under Rate Schedule FT-1 shall be one (1) contract Day and the term must be for a consecutive number of Days within the same Month. The Releasing Shipper and its Replacement Shipper shall notify Transporter of the terms of the Temporary Release. The Replacement Shipper must also be prequalified pursuant to the requirements of Section 22.4 below. Once the term of the release hereunder has expired, the Releasing Shipper may not rollover, extend or in any way continue a release of capacity to the same Replacement Shipper under this provision until twenty-eight (28) Days or more have elapsed since the termination of the prearranged release hereunder, with the exception of releases to an AMA or to a participant in a state-approved retail access program. Transporter shall post on its Interactive Internet Website the terms of the release entered into under this Section 22.3(b)(4) pursuant to the provisions of Section 22.11.

(5) A Releasing Shipper under Rate Schedules FT-1, FT-2 or FT-3 who wishes to temporarily release its firm capacity on a prearranged basis to a third party for a period in excess of 31 Days at a rate less than the maximum filed rate for the respective Rate Schedule shall post or have posted on Transporter's Internet Web Site the terms and provisions under which the firm capacity is proposed to be released for the purpose of soliciting competitive bids. The minimum term of the release shall be for a consecutive number of Days greater than 31 Days.

(6) An open season is not required for: (a) a Prearranged Release for the maximum charge applicable to the capacity being released provided that the release term is more than one Year; (b) a Short-term Prearranged Release (31 Days or less; (c) a release to an asset manager (AMA), as defined by FERC regulations at 18 CFR 284.8; or (d) releases to a marketer participating in a state-regulated retail access program), as defined by FERC regulations at 18 CFR 284.8.

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GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

22.4 Releasing Shipper's and Replacement Shipper's Obligations

(a) Releasing Shipper. The Releasing Shipper shall remain fully liable on its existing Service Agreement with the Transporter for the payment of all applicable charges related to the contract quantity which has not been released, owing to Transporter each Month under the existing Service Agreement, as well as for services performed for, or penalties incurred by, the Releasing Shipper under its firm Service Agreement with respect to any remaining capacity thereunder.

(b) Replacement Shipper

(1) Permanent Release. To qualify as a Replacement Shipper under a Permanent Release under Section 22.3(a) above, the bidder must be preapproved for credit and have submitted an executed Transportation Service Request Form, as more particularly set forth below. Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid. Once a bid on an offer for a Permanent Release of capacity under Section 22.6 is accepted, the Replacement Shipper shall execute a separate Service Agreement under Rate Schedule FT-1 with Transporter to utilize the capacity under the terms set forth in the accepted bid and the GT&C of Transporter's Tariff applicable to the capacity released. Before a Replacement Shipper may execute a Service Agreement with Transporter to utilize released FT-1

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**Original Sheet No. 176** Original Sheet No. 176 : Effective

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22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

capacity, the Replacement Shipper must satisfy all of Transporter's requirements relating to Rate Schedule FT-1. Once the Replacement Shipper electronically executes its Service Agreement to implement a Permanent Release, the Replacement Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's Tariff, including but not limited to Transporter's billing and payment and operation provisions.

- (2) Temporary Release. To bid on capacity offered under a Temporary Release set forth in Section 22.3(b) above, the bidder must be preapproved for credit and have an executed Temporary Capacity Release Service Agreement (sometimes referred to herein as "Service Agreement"), as more particularly set forth below. Any bid submitted and not withdrawn by the end of the bid period will legally bind the bidder to the terms of the bid if Transporter chooses such bid as the "best bid" under Section 22.9 below. Before a Replacement Shipper may execute a Service Agreement with Transporter to utilize released Rate Schedule FT-1, FT-2 or FT-3 capacity, the Replacement Shipper must satisfy all of Transporter's requirements relating to Rate Schedule FT-1. Once a bid on an offer for a Temporary Release of capacity under Section 22.3(b) is accepted, the Replacement Shipper agrees that the Addendum and

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GENERAL TERMS AND CONDITIONS

22. SHIPPERS' RELEASE OF FIRM CAPACITY con't

Exhibit "A" to its Temporary Capacity Release Service Agreement provided by Transporter shall be binding and no further execution thereof shall be required. Once the Transporter provides the Replacement Shipper an Addendum and Exhibit "A" to its Temporary Capacity Release Service Agreement, the Replacement Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's Tariff, including but not limited to Transporter's billing and payment and operation provisions.

22.5 Billing and Payment

(a) Releasing Shippers.

- (1) When a Releasing Shipper has released capacity under Rate Schedule FT-1 or FT-3 on a permanent basis, commencing with the effective date of the release, pursuant to subsection 22.4(a) hereof Transporter shall bill the Releasing Shipper for all capacity retained pursuant to the provisions of the Releasing Shipper's Service Agreement. In this circumstance, the Releasing Shipper shall not be liable for any amount of Transporter's invoice to the associated Replacement Shipper(s) that is unpaid.

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**First Revised Sheet No. 178** First Revised Sheet No. 178  
Superseding: Original Sheet No. 178

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(2) On the Releasing Shipper's bill for a Month in which it released capacity under Rate Schedules FT-1, FT-2 or FT-3 on a temporary basis, Transporter (i) shall bill for all capacity retained pursuant to the provisions of Releasing Shipper's Service Agreement, (ii) shall bill for all released capacity at the Conditional Reservation Rate under the Rate Schedule that the Releasing Shipper is receiving service and (iii) shall credit all reservation charge revenues billed by Transporter to the Replacement Shipper, as applicable, for the released capacity under the applicable Temporary Capacity Release Service Agreement; provided, however, that in the event the Replacement Shipper fails to pay Transporter for any part of the amount credited to the Releasing Shipper's bill, Transporter may reverse the credit on the Releasing Shipper's bill in a later Month up to the unpaid amount plus interest thereon. If the Replacement Shipper fails to pay its reservation charges under a Temporary Capacity Release Service Agreement, the Releasing Shipper may recall its capacity by notifying the Replacement Shipper and Transporter of such recall pursuant to the provisions of Section 22.3 above. All reservation charge credits under a Temporary Capacity Release Service Agreement to the Releasing Shipper's bill shall be final and nonreversible upon Transporter's receipt of payment therefore from the Replacement Shipper.

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**Fourth Revised Sheet No. 179** Fourth Revised Sheet No. 179 : Effective  
Superseding: Third Revised Sheet No. 179

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(b) Replacement Shippers.

The Replacement Shipper shall be obligated to pay Transporter all amounts specified in the Service Agreement between Transporter and the Replacement Shipper applicable to the volumes Transporter transports under the Replacement Shipper's FT-1 Service Agreement or Temporary Capacity Release Service Agreement. Transporter will retain the transportation charges, any associated volumetric surcharges and pro rata share in-kind of losses it receives from the Replacement Shipper. If any of the rates billed to and paid by the Replacement Shipper under its Service Agreement and or billed to and paid by the Releasing Shipper under its Service Agreements or credited to the Releasing Shipper's account pursuant to subsection 22.5(a)(2) hereof exceed the rate which the Commission determines to be just and reasonable, unless pursuant to Section 22.12 hereof, and Transporter is ordered to make refunds, the Replacement Shipper and/or the Releasing Shipper shall be eligible to receive refunds to the extent of any payments it made in excess of the rates the Commission subsequently determined to be just and reasonable.

22.6 Offer Procedures

- (a) A Shipper desiring to release firm capacity (a Releasing Shipper) shall transmit an offer electronically to Transporter on its Interactive Internet Website in the standard form provided on the Interactive Internet Website. Transporter shall post all offers containing all the requirements of Section 22.6(b) on the Interactive Internet Website pursuant to the provisions of Section 22.11. Transporter shall date, time stamp and post all offers as they are received unless the Releasing Shipper specifies a time and date for its offer to be posted. In such event, Transporter shall post the offer at the time and on the date specified by the Releasing Shipper, provided that such time and date do not conflict with the provisions of Section 22.11. The Releasing Shipper agrees that its posted offer specifically is subject to the following conditions.

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(1) In the event two or more Releasing Shippers wish to combine offers of capacity into one offer, the capacity must be released for the same term, and each Releasing Shipper must appoint in writing or through Transporter's Interactive Internet Website to Transporter, prior to the posting of such an offer, the same agent for purposes of submitting a joint offer.

(2) Once a Releasing Shipper's offer is posted, it is binding until written or electronic notice of withdrawal is received by Transporter. An offer may be withdrawn by the Releasing Shipper at any time during the bid period so long as no bids have been submitted which exceed the minimum conditions established in the offer. If eligible bids have been received, the Releasing Shipper



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may withdraw its offer only if there has been an unanticipated change in its need to retain capacity. In the latter situation, the Releasing Shipper's notice to Transporter shall describe the change which necessitates the withdrawal of its offer and such notice shall be placed on Transporter's Interactive Internet Website to notify all bidders of the withdrawal of the offer.

(3) Once a Releasing Shipper's offer is posted, the Releasing Shipper shall not be able to specify an extension of the applicable bid period or the prearranged bid match period, if any.

(b) A Releasing Shipper's offer shall include the following standard information:

(1) The name of the Releasing Shipper; contact name, telephone, and/or facsimile number.

(2) The contract number(s) of the Releasing Shipper's Service Agreement(s).

(3) Whether the release is permanent or temporary.

(4) If a temporary release,

(i) whether the release is firm or subject to a right of recall;

(ii) if subject to recall, the identifiable condition(s) precedent upon which the recall right will be exercised;

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**Second Revised Sheet No. 182** Second Revised Sheet No. 182  
Superseding: First Revised Sheet No. 182

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(iii) if subject to recall, whether the reservation charge paid by the Replacement Shipper under an FT-1 Service Agreement is to be prorated for any Days on which the capacity is actually recalled;

(iv) if subject to recall, whether the recalled capacity reverts back to the Replacement Shipper or remains with the Releasing Shipper at the end of a recall term

(5) The amount(s) of capacity to be released expressed as a numeric quantity per Day only and whether bids for less than the full volume offered are acceptable.

(6) The term of the release and whether bids for less than the full term offered are acceptable.

(7) The Point(s) of Delivery at which the capacity is offered and the Point(s) of Receipt at which capacity is offered.

(8) Whether the offer is subject to a prearranged bid; if so, the name of the prearranged bidder.

(9) Any minimum reservation rate at which the bids must begin, whether the Releasing Shipper will accept bids on the reservation rate converted to a volumetric rate basis and whether the minimum reservation rate is inclusive or exclusive of any and all demand surcharges. All of the above rates shall be stated to the same number of decimal places as are the rates in Transporter's Tariff. Such minimum reservation rate may be specified as dollars and cents or percent of maximum tariff rate.

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FERC Docket: RP97-446-001

**Original Sheet No. 182A** Original Sheet No. 182A : Effective

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- (10) If bids on a volumetric rate basis are acceptable, whether the volume bid is minimum daily throughput commitment for billing purposes, i.e., whether the Replacement Shipper's monthly bill and the Releasing Shipper's monthly credit will be no less than the volume bid multiplied by the volumetric rate bid multiplied by the number of Days in the Month that the release was in effect.

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**Second Revised Sheet No. 183** Second Revised Sheet No. 183  
Superseding: First Revised Sheet No. 183

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(11) Whether bids may be submitted that are contingent on (i) the award of downstream capacity on another pipeline system, (ii) the success or failure of another bid for capacity on Transporter's Pipeline Facilities in the same offer/bid cycle, or (iii) any other type of contingency specified in the offer; the deadline for the removal of any contingency is subject to the provisions of Section 22.11.

(12) Selection of one of the following economic criteria to be utilized by Transporter in determining the "best bid": (i) highest rate, (ii) net revenue, or (iii) present value. If the Shipper does not specify one of the above criteria, Transporter shall use the following criteria in determining the "best bid":

(a) net revenue for bids with a term of one Month or less or

(b) present value for all other bids.

(13) A nondiscriminatory tie breaker to be utilized in determining the "best bid."

(14) If the offer is for a Temporary Release, whether the winning bidder has to submit a prepayment and, if so, what prepayment is required.

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Superseding: First Revised Sheet No. 183A

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- (c) The following information shall be supplied by Transporter with each offer: (i) the maximum reservation rate (and reservation surcharges) applicable to the capacity; (ii) the maximum reservation rate (and reservation surcharges) converted to a 100% load-factor volumetric rate if the offer allows bids on a volumetric rate basis; (iii) the date and time the offer was submitted/posted on the Interactive Internet Website, and (iv) the date and time the bid period ends; the latter two items will be pursuant to the provisions of Section 22.11.

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**Fifth Revised Sheet No. 184** Fifth Revised Sheet No. 184

Superseding: Fourth Revised Sheet No. 184

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22.7 Prearranged Bidders

A Releasing Shipper must identify in its offer any "prearranged bid" to be made on the firm capacity offered for release. However, the "prearranged bidder" must also meet all the requirements established for bidders pursuant to Sections 22.8 below. If the prearranged bidder tenders a bid for the offered capacity at or above the maximum rate, if applicable pursuant to Section 22.12 hereof, under the Releasing Shipper's service, for the full volume, capacity and term offered by the Releasing Shipper, and the prearranged bidder satisfies all of the requirements of Section 22.8 below, the prearranged bid will be deemed the "best bid". Transporter shall thereafter post on its Interactive Internet Website the identity of the prearranged bidder and the terms upon which the capacity was released.

In all other situations, including prearranged releases that are greater than 31 Days, the prearranged bid shall constitute the minimum bid price for all other bidders and shall be posted on the Releasing Shipper's offer as such. If Transporter does not receive any better bid by the date on which all bids are due, the prearranged bid shall be deemed the best bid. If Transporter does receive a better bid by the date on which all bids are due, the prearranged bidder shall have the right to match the terms of the better bid pursuant to the provisions of Section 22.11 and Section 22.12 hereof.

**Fourth Revised Sheet No. 185** Fourth Revised Sheet No. 185  
Superseding: Third Revised Sheet No. 185

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22.8 Bid Procedures

(a) All bidders shall be subject to the following requirements:

(1) All parties desiring to bid on firm capacity offered by a Releasing Shipper must be prequalified by Transporter as creditworthy in order to be eligible to submit a bid on an offer of released capacity. Unless Transporter has already determined the bidder to be creditworthy or to have suitable credit assurances on file with Transporter, the potential bidder must submit to Transporter the information set forth in Section 10.4 of the GT&C to enable Transporter to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Shipper's creditworthiness under the terms of Rate Schedule FT-1. If a party does not qualify as a prequalified bidder pursuant to this Section 22.8, the party may not bid on a Releasing Shipper's offer.

(2) The Transporter(TSP) should provide the original releasing shipper with Internet email notification reasonably proximate in time with any of the following formal notices given by the TSP to the releasing shipper's replacement shipper(s), of the following:

(1) Notice to the replacement shipper regarding the replacement shipper's past due, deficiency, or default status pursuant to the TSP's tariff;

(2) Notice to the replacement shipper regarding the replacement shipper's suspension of service notice;

(3) Notice to the replacement shipper regarding the replacement shipper's contract termination notice due to default or credit-related issues; and

(4) Notice to the replacement shipper that the replacement shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to the TSP's tariff.

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**First Revised Sheet No. 186** First Revised Sheet No. 186 : Effective  
Superseding: Original Sheet No.186

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(3) Prior to submitting a bid on a Permanent Release of capacity offered by a Releasing Shipper, the bidder must submit to Transporter on its Interactive Internet Website a valid request for the released capacity on which the bidder intends to submit a bid.

(4) Prior to submitting a bid on a Temporary Release of capacity offered by a Releasing Shipper, the bidder must request and execute a Temporary Capacity Release Service Agreement. The parties shall execute the Temporary Capacity Release Service Agreement electronically, followed by written execution as soon as possible thereafter. The terms of each winning bid shall be set forth on Exhibit "A" to the Replacement Shipper's applicable Temporary Capacity Release Service Agreement.

(5) In the event a party wishes to bid on an offer that requires a prepayment, the bidder must make the prepayment to Transporter by the deadline established in the offer. If the bidder is awarded the capacity on which it bids and fails to pay Transporter for the applicable charges due under its Temporary Capacity Release Service Agreement in any Month, Transporter shall credit the prepayment, up to the amount owed by the Replacement Shipper for such charges, to both the Replacement Shipper's bill and the Releasing Shipper's bill. If the bidder is not awarded the capacity on which it bids, or all or part of the prepayment remains after a successful capacity release transaction is over, the bidder or Replacement Shipper may request a refund of the remaining prepayment by submitting a request in writing to Transporter. If the bidder or Replacement Shipper does not request a refund, the remaining prepayment shall be available for use in connection with future bids by that party.



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- (b) All bids on a Releasing Shipper's offer shall contain all of the requirements of Section 22.8(c) and shall be transmitted electronically to Transporter on its Interactive Internet Website. Bids containing all the requirements of Section 22.8(c) shall be posted on the Interactive Internet Website pursuant to the provisions of Section 22.11. Transporter shall post for viewing by other parties during the bid period all bids received on a Releasing Shipper's offer, except for the names of the bidders. A separate bid shall be submitted for each separate Releasing Shipper's offer on which a bidder wishes to bid. The price bid on any offer of capacity must be submitted on a reservation charge basis unless the offer states that bids on a volumetric rate basis are acceptable. All bids on Temporary Releases of capacity must be for the specified Point(s) of Delivery and Receipt offered. The Point(s) of Delivery and Point(s) of Receipt awarded to the Replacement Shipper under this Section 22 shall constitute the only Point(s) to which the Replacement Shipper is entitled under the Service Agreement entered into with Transporter pursuant to these provisions.
- (c) The bid shall include the following information:
  - (1) The bidder's name; contact name, telephone and/or facsimile number.
  - (2) The offer number and contract number(s) of the Releasing Shipper's Service Agreement(s) on which the bid is being made.

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- (3) The reservation charge bid per Mcf for the released capacity or the charge bid at a volumetric rate per Dth, as applicable stated to the same number of decimal places as are the rates in Transporter's Tariff and on the same basis as the minimum reservation rate in Releasing Shipper's offer.
- (4) Whether the bidder is a prearranged bidder.
- (5) The term for which the bid is being made if the offer allows bids on less than the term offered.
- (6) If the offer allows bids on less than the full capacity offered, the transportation capacity requested at each Point of Receipt and each Point of Delivery.
- (7) If contingent bids for downstream pipeline capacity are allowed by the offer, whether the bid is contingent on the award of capacity on a downstream pipeline system, the name of the pipeline and the bid number.
- (8) If other contingencies are allowed by the offer, whether the bid is subject to one of the contingencies allowed by the offer.
- (9) The information required by Section 250.16(b)(2) of the Commission's Regulations to the extent necessary to allow Transporter to comply with its reporting/posting requirements under Section 250.16, including the following:
  - (i) the specific affiliation of the bidder with Transporter, and the specific affiliation of the Replacement Shipper with Transporter;

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- (ii) whether any of the Natural Gas to be transported through the acquired capacity is Natural Gas purchased from or sold to an Affiliate of Transporter and, if so, whether the affiliated entity is selling the Natural Gas at a loss and how much the loss is per Dth;
  - (iii) the producing area of the source of the Natural Gas to be transported;
  - (iv) the type of business of the ultimate end-user of the Natural Gas.
- (d) All bids shall be binding until written or electronic notice of withdrawal is received by Transporter.

A bidder may withdraw its bid on an offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that offer during the bid period must be equal to or higher than the bidder's previous bid(s). Bids cannot be withdrawn after the bid period ends.

22.9 Transporter's Review

- (a) Upon receipt of all bids, Transporter shall engage in an initial review to determine if a bid will be deemed eligible for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 22.9 shall be eliminated from consideration. A bid shall be deemed ineligible if:
- (1) the bid (or bidder) does not comply with all of the terms and conditions and deadlines of this Section 22;
  - (2) the bid submitted exceeds the bidder's preapproved credit term or limits;

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**First Revised Sheet No. 190** First Revised Sheet No. 190  
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(3) the bid is for capacity at Point(s) of Delivery and Receipt other than those Point(s) specified in the offer.

(4) the bid does not meet the minimum terms of the Releasing Shipper's offer; or

(5) the bid contains a contingency that is not allowed by the offer or the bidder has not removed the contingency by the deadline set forth in the offer.

(b) All bids deemed to be eligible following Transporter's initial review pursuant to Section 22.9(a) above shall be reviewed in determining the best bid. The best bid shall be determined by Transporter pursuant to the objective criteria for determining the best bid set forth in the Releasing Shipper's offer. If the offer does not specify best bid criteria, the eligible bids will be evaluated by Transporter by multiplying the price bid times the volume bid. Bids for a term of more than one (1) Month that vary in price or term shall be discounted to net present value using as a discount factor the Federal Reserve Board's Federal Funds Rate. This formula will generate a revenue number for comparison of the bids and the bid producing the most revenue shall be determined to be the best bid. For releases where the Releasing Shipper's offer allows the reservation charge to be bid on a volumetric rate basis as well as a reservation charge basis, Transporter shall assume that the firm transportation quantity requested under a volumetric rate bid will be transported each Day of the release unless another calculation is

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specified in the offer by the Releasing Shipper. The best bid as determined herein or pursuant to the objective criteria posted by the Releasing Shipper shall be subject to the rights of a prearranged bidder to match the bid in accordance with Section 22.7 above. In the event two or more bids are equivalent, they will be subject to the outcome of the tie breaker stipulated in the Releasing Shipper's offer as explained in subsection 22.9(c) below.

- (c) If there is a tie for the best bid, and there is no prearranged bidder who has agreed to match the best bid, the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Shipper's offer. The Releasing Shipper may specify one of the following tie breakers or a different tie breaker so long as it is objective, nondiscriminatory and can be applied by Transporter. If the Releasing Shipper fails to specify a tie breaker, Transporter shall apply the following tie breakers in the order shown, if necessary.
  - (1) The bid generating the greatest present value of revenues.
  - (2) The bid submitted first in time as established by the Transporter's electronic date and time stamp.
- (d) If there are multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded.
- (e) Upon completion of the best bid determination, the party submitting the best bid shall be notified by Transporter through its Interactive Internet Website. Transporter shall further notify all bidders through its Interactive Internet Website that a best bid has been

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**Sixth Revised Sheet No. 192** Sixth Revised Sheet No. 192  
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accepted. Transporter shall post on its Interactive Internet Website the details of the winning bid and the Replacement Shipper's name pursuant to the provisions of Section 22.11. Such notice shall stay on the Interactive Internet Website for at least thirty (30) days.

(f) If no bids are submitted by the date upon which all bids are due, the Releasing Shipper's offer shall be removed from Transporter's Interactive Internet Website.

22.10 Offers to Purchase Firm Capacity

Transporter agrees to post on its Interactive Internet Website at a party's request offers to purchase firm capacity on a permanent or temporary basis. Each offer will remain on the Interactive Internet Website for five (5) Business Days before it is removed, unless the requesting party notifies Transporter prior to the expiration of any five (5) Day period that it wishes to extend the posting for an additional five (5) Business Days.

22.11 Capacity Release Timeline

The Capacity Release Timeline is applicable to all parties involved in the capacity release process; subject to the provision of this Section 22 if:

(i) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release is tendered and

(ii) there are no special terms or conditions to the release.

For biddable releases (1 year or less):

- offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends and award posting if no match required at 2:00 P.M.;

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**Fifth Revised Sheet No. 192A** Fifth Revised Sheet No. 192A  
Superseding: Fourth Revised Sheet No. 192A

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- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For biddable releases (more than 1 year):

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

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 10:30 A.M.;
- contract issued within one hour of award posting

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**Sixth Revised Sheet No. 192B** Sixth Revised Sheet No. 192B  
Superseding: Fifth Revised Sheet No. 192B

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22.11 Capacity Release Timeline cont'd

(with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M.;

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

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;

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

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;

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

Non-biddable releases on non-Business Days: The Releasing Shipper and the Replacement Shipper must telephonically notify Transporter's Gas Control Center (1-877-548-1800) at least two hours before the initial nomination. Posting of the prearranged deal and contract issuance will occur by 9:00 A.M. on the following Business Day.

22.12 Release of Firm Capacity at Rates in Excess of the Maximum Rate

Releases of Firm capacity pursuant to this Section 22 can occur at rates in excess of the maximum rates reflected on Sheet No. 9 if the duration of the release is one year or less and if the release is to take effect on or before one year from the date on which the pipeline is notified of the release.



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Superseding: First Revised Sheet No. 193

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23. MARKETING FEES

When a Releasing Shipper requests that Transporter actively market its released firm capacity, then Transporter will be entitled to a marketing fee for successfully marketing such released firm capacity. The fee will be negotiated between Transporter and Releasing Shipper. Provided, however, if Transporter only posts the Releasing Shipper's firm capacity on its Interactive Internet Website and does not actively market the released firm capacity, no marketing fee will be charged for the routine arrangement of transportation services.

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GENERAL TERMS AND CONDITIONS

24. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS

24.1 General

Any FT-1 or FT-3 Shipper who has executed a Service Agreement in effect prior to March 27, 2000, which contains a term of one year or longer, or any FT-1 or FT-3 Shipper who has executed a Service Agreement on or after March 27, 2000, which contains a term of one year or longer at the maximum rate may, at the expiration of its Rate Schedule FT-1 or FT-3 Service Agreement, continue service for all or a portion of the firm capacity covered by the Service Agreement, subject to the conditions of this Section 24. Provided, however, any Shipper or Replacement Shipper receiving service under Transporter's Rate Schedules FT-1 and FT-3 pursuant to a Service Agreement having a term of less than one (1) Year, receiving interruptible service under Rate Schedule IT-1, receiving Preferred Short-Haul Service under Rate Schedule PSH or receiving service under a Temporary Capacity Release Service Agreement, retains no right to continued service after the termination of such Service Agreement. Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date and shall not be required to seek case specific authorization prior to abandoning service.

24.2 Notice to Transporter

Shipper shall notify Transporter of its intention to exercise a right of first refusal as follows.

- (a) Service Agreements with terms 5 years or longer:

Shipper shall notify Transporter 18 Months prior to the termination of such Service Agreement.

- (b) Service Agreements with terms of more than 30 Months but less than 5 years:

Shipper shall notify Transporter 10 Months prior to the termination of such Service Agreement.

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**Second Revised Sheet No. 195** Second Revised Sheet No. 195 : Effective  
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24. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS con't

- (c) Service Agreements with terms of more than 12 Months but less than 30 Months:

Shipper shall notify Transporter 6 Months prior to the termination of such Service Agreement.

24.3 Posting Periods

Transporter shall post on its Internet Web Site that capacity will be available upon the termination of Shipper's firm transportation Service Agreement for the following minimum periods of time:

- (a) Service Agreements with terms of 5 years or longer -- 14 Days.
- (b) Service Agreements with terms of more than 30 Months but less than 5 years -- 10 Days.
- (c) Service Agreements with terms of more than 12 Months but less than 30 Months -- 7 Days.

24.4 Bidding Procedures

Each bidder for Shipper's firm capacity, or any part thereof, must submit its bid to Transporter in writing or through Transporter's Internet Web Site (with its Rate Schedule FT-1 or FT-3 Service Request Form and any required prepayment) within the time specified by Transporter.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 196** Second Revised Sheet No. 196  
Superseding: First Revised Sheet No. 196

GENERAL TERMS AND CONDITIONS

24. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS con't

Each bid shall contain the term for which the capacity is sought and the percentage of the maximum rate in effect during said term which the bidder is willing to pay for the capacity, not to exceed 100% of the maximum rate. If Transporter receives more than one bid for Shipper's capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, which minimizes the impact on the rates for other services, given the terms and conditions of the other services at the time ("best bid"); provided, however, that Transporter reserves the right to reject any bid which is for less than 100% of the maximum rate applicable to Shipper's firm service.

24.5 Pregranted Abandonment

(a) Transporter will notify Shipper of the best bid received in an arm's length transaction that Transporter is willing to accept, and Shipper shall have a specified time, but not less than fifteen (15) Days, within which it must match the price and contract term, not to exceed five (5) years, offered in the best bid in order to retain its firm capacity. If Shipper matches the best bid, Transporter and Shipper will enter into a new FT-1 or FT-3 Service Agreement reflecting the terms of Shipper's matching bid. If Shipper fails to match the best bid within the time allowed by Transporter, Shipper's existing Service Agreement will be subject to pregranted abandonment upon the effective termination date of Shipper's FT-1 or FT-3 Service Agreement and Transporter will enter into a new FT-1 or FT-3 Service Agreement with the party or parties offering the best bid.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 197** Original Sheet No. 197 : Effective

GENERAL TERMS AND CONDITIONS

24. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS con't

- (b) In the event Transporter does not receive any bids for Shipper's capacity or any bids which are acceptable to Transporter, Shipper shall have the right to retain its firm capacity at the maximum rate applicable thereto, or any discounted rate agreed to by Transporter, for an additional term as requested by Shipper. If Shipper refuses to renew its Service Agreement at the maximum rate, absent an agreement by Transporter to discount, said Service Agreement shall be subject to pregranted abandonment on the effective date of termination.
- (c) If Shipper gives notice to terminate its Service Agreement pursuant to the provisions contained therein, said Agreement shall be subject to pregranted abandonment on the effective date of Shipper's termination notice.

Effective Date: 12/01/1997 Status: Effective

FERC Docket: CP96-790-003

**Original Sheet No. 198** Original Sheet No. 198 : Effective

GENERAL TERMS AND CONDITIONS

25. FORCE MAJEURE

25.1 Liability Excused

In the event either Transporter or Shipper is unable, in whole or in part, by reason of the existence of a force majeure event to carry out its obligations under the Service Agreement it is agreed that, on such party giving notice and full particulars of such force majeure to the other party in a form consistent with Section 9 hereof as soon as possible after the occurrence of the cause relied on, the obligations of both parties, so far as they are affected by such event of force majeure, shall be excused during the continuance of any inability so caused but for no longer period. Provided, however, the party claiming the existence of force majeure shall use all reasonable efforts to remedy any situation which may interfere with the performance of its obligations hereunder.

25.2 Force Majeure

The term "force majeure" shall mean any event or condition whether affecting Transporter or Shipper, or any other person, which has prevented, hindered or delayed, or may reasonably be expected to prevent, hinder, or delay, either Transporter or Shipper from performing any obligation hereunder in whole or in part, if such event or condition is beyond the reasonable control of the party claiming force majeure. Such events or conditions shall include, but shall not be limited to: acts of God; strikes, lockouts or other industrial disturbances; sabotage, acts of the public enemy, wars, blockades, insurrections, riots or epidemics; landslides, lightning, earthquakes, fires, hurricanes and threats of hurricanes, storms, storm warnings, floods or washouts; arrests and restraints of government and people or civil disturbances;

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FERC Docket: CP96-790-003

Original Sheet No. 199 Original Sheet No. 199 : Effective

GENERAL TERMS AND CONDITIONS

25. FORCE MAJEURE con't

explosions, breakage or accident to plants, platforms, equipment, machinery or lines of pipe; drilling workovers or completion operations in water depths greater than 200 meters; unscheduled maintenance of or making repairs or alterations to platforms, plants, equipment, machinery, facilities or lines of pipe; freezing of wells, or lines of pipe; authorized abandonment of any lines of pipe; acts of government or the necessity of complying with any governmental or judicial rule or order; and any other causes, whether of the kind hereunder enumerated or otherwise, whether affecting Transporter or Shipper, upstream or downstream transporter(s), gatherer(s) or processor(s), not within the control of the party claiming suspension and which the exercise of due diligence by such party is unable to prevent or overcome; such term shall likewise include the inability of either party to acquire, or delays on the part of such party in acquiring, at reasonable costs and by the exercise of reasonable diligence, servitudes, rights-of-way grants, permits, permissions, certificates, authorizations, licenses, materials or supplies which are required to enable such party to fulfill its obligations hereunder. The settlement of strikes and lockouts shall be entirely within the discretion of the person affected, and the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected thereby. Failure to correctly estimate reserves available for delivery into Transporter shall not constitute a force majeure event.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 200** First Revised Sheet No. 200  
Superseding: Original Sheet No. 200

GENERAL TERMS AND CONDITIONS

25. FORCE MAJEURE con't

25.3 Liabilities Not Relieved

Such causes or contingencies affecting performance by a party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve a party from its obligation to make payments of any amounts owed under Shipper's applicable Service Agreement.

25.4 Scheduling of Routine Maintenance

Transporter shall have the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of its Pipeline Facilities from time to time to perform routine repair and maintenance on Transporter's Pipeline Facilities as necessary to maintain the operational capability of Transporter's Pipeline Facilities or to comply with applicable regulatory requirements. Transporter shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Shippers and shall provide reasonable notice of the same to Shipper.

25.5 Compliance with Directives of Governmental Agencies

Whenever, in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities, including, but not limited to, the Department of Transportation, the Federal Energy Regulatory Commission, and the Environmental Protection Agency, Transporter must curtail deliveries to or for the account of Shipper and is unable to deliver to or for the account of Shipper the quantities of Natural



*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 201** Original Sheet No. 201 : Effective

GENERAL TERMS AND CONDITIONS

25. FORCE MAJEURE con't

Gas which Shipper may then require, up to the quantities of Natural Gas Transporter is then obligated to deliver to Shipper, Transporter shall not be liable in damages or otherwise to Shipper or any other Person or entity for any such failure to deliver such quantities of Natural Gas to Shipper, or for Shipper's account, except to the extent the orders or directives were issued as a result of Transporter's gross negligence or willful misconduct.

*Effective Date: 12/01/2004 Status: Effective*  
*FERC Docket: RP05- 55-000*

**First Revised Sheet No. 202** First Revised Sheet No. 202 : Effective  
Superseding: Original Sheet No.202

GENERAL TERMS AND CONDITIONS

26. ENERGY AFFILIATES

Transporter is subject to Standards of Conduct contained in the Commission's regulations. Transporter shall post on its Internet Web Site its procedures for implementation with the Commission's Standards of Conduct Regulations. All information required to be posted pursuant to such regulations can also be located on Transporter's Internet Web Site.

Effective Date: 06/08/2005 Status: Effective  
FERC Docket: RP05-371-000

**Second Revised Sheet No. 203** Second Revised Sheet No. 203 : Effective  
Superseding: First Revised Sheet No. 203

GENERAL TERMS AND CONDITIONS

27. DISCOUNT, RATE CHANGES AND ADJUSTMENTS

27.1 Discounting

- (a) In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's Rate Schedules, the following discount terms may be reflected on the applicable Service Agreements and will apply without the discount constituting a material deviation from Transporter's applicable pro forma Service Agreements; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable Rate Schedule. Transporter and Shipper may agree that a specified discounted rate will apply under the following conditions:
- (i) to specified quantities under Shipper's Service Agreement(s);
  - (ii) to specified quantities above or below a certain level or all quantities if quantities exceed a certain level;
  - (iii) in a specified relationship to quantities actually transported (i.e., that the Reservation charge will be adjusted 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 Point(s) of Receipt or Point(s) of Delivery;
  - (vi) to production reserves committed or dedicated by Shipper; and/or
  - (vii) that a specific discounted rate is based on published index prices for specific Point(s) of Receipt and/or Point(s) of Delivery 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 (Maximum Daily Transportation Quantity). To the extent the firm Reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per Dth. Furthermore, such discount shall not change the underlying rate design of the service being provided or include any minimum bill or maximum take provision that would have the effect of guaranteeing revenue.

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FERC Docket: RP05-371-000

**Third Revised Sheet No. 204** Third Revised Sheet No. 204 : Effective  
Superseding: Second Revised Sheet No. 204

GENERAL TERMS AND CONDITIONS

27. DISCOUNT, RATE CHANGES AND ADJUSTMENTS con't

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, the 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 sheets. 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.

- (b) The Discounting of Rates shall be done in the following order:

Base Rate

ACA is not discountable.

27.2 Rate Changes

Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to Transporter's Rate Schedules, (b) the terms and conditions of service for Transporter's Rate Schedules, or (c) any provision of the GT&C of Transporter's Tariff applicable to service under Transporter's Rate Schedules. Periodically, rates and charges under Transporter's Tariff shall be adjusted to reflect changes in Transporter's costs. Transporter shall have the right in any such filing to include, but not by way of limitation, both costs chargeable to operations as well as costs includable in rate base. Transporter hereby notifies Shippers that it may be appropriate, equitable and consistent with cost responsibility to allocate such costs among Shippers based on or taking into account past period factors, such as contract demand levels, purchases or other factors related to a prior period of time and

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**First Revised Sheet No. 204A** First Revised Sheet No. 204A : Effective  
Superseding: Original Sheet No. 204A

GENERAL TERMS AND CONDITIONS

27. DISCOUNT, RATE CHANGES AND ADJUSTMENTS con't

to utilize an allocation methodology based in whole or in part on factors related to past periods. Upon placing such rates into effect Transporter will charge and Shipper will pay Transporter's rates in effect from time to time as adjusted pursuant to the terms of this Section 27 except to the extent such rates are otherwise discounted pursuant to the terms of Section 27.1 hereof. Provided, however, Shipper may protest or contest any of the aforementioned filings.

27.3 Annual Charge Adjustment

- (a) In order to recover the annual charges assessed by the Commission under Section 382.202 of the Commission's Regulations pursuant to the provisions of the Commission's Order No. 472, this Section 27 of the GT&C is established to be applicable to the Rate Schedules contained in Volume No. 1 of Transporter's Tariff. Because Transporter is electing to recover the annual charges assessed by the Commission through the operation of this Annual Charge Adjustment Clause, Transporter does not intend to recover any annual charges recorded in Account No. 928 in any Natural Gas Act Section 4 rate case.
- (b) All of Transporter's Rate Schedules shall include an Annual Charge Adjustment unit charge (ACA unit charge) applicable to each Dth of Natural Gas transported as required by the FERC. The ACA unit charge is in addition to all amounts otherwise payable to Transporter.
- (c) The initial ACA and any subsequent changes in the ACA unit charge shall be filed by Transporter at least thirty (30) Days prior to the proposed effective date, unless, for good cause shown, a lesser notice period and different effective date is allowed by a valid order.

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FERC Docket: CP96-790-003

Original Sheet No. 205 Original Sheet No. 205 : Effective

GENERAL TERMS AND CONDITIONS

28. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF LATERAL FACILITIES

28.1 General

Shipper may request that Transporter construct a pipeline extension (other than a mainline extension) from Transporter's existing Pipeline facilities, including new Point(s) of Delivery and enlargements or replacements of existing laterals. Transporter is not required to build facilities upon Shipper's request or otherwise if, as determined by Transporter in its sole judgment, such facilities are not economic, are not operationally feasible, will adversely impact Transporter's ability to satisfy Transporter's existing firm obligations or would otherwise adversely impact Transporter's Pipeline Facilities. Except where (i) Transporter and Shipper mutually agree to share in the cost or (ii) Transporter agrees to pay for the entire cost, Shipper shall reimburse Transporter (a) for the costs of such facilities installed by Transporter to receive, measure, transport, or deliver Natural Gas to Shipper or for Shipper's account and (b) for any and all filings and approval fees required in connection with such construction that Transporter is obligated to pay to the Commission or any other governmental authority having jurisdiction. Provided, however, any new facilities constructed pursuant to Section 28.1 shall be built according to Transporter's specifications. The need for any facilities including, but not limited to, flow controls and telemetering will likewise be in Transporter's sole discretion. Provided further, that unless the parties agree otherwise, the facilities will be operated by Transporter.

GENERAL TERMS AND CONDITIONS

28. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF LATERAL FACILITIES con't

28.2 Economic Criteria

- (a) For purposes of determining whether a project is economically beneficial to Transporter, Transporter will evaluate projects on the basis of the incremental cost of service of the facilities to be constructed by Transporter (including the cost of real property rights acquisition), and the incremental revenues which Transporter estimates will be generated as a result of constructing and/or modifying such facilities. In estimating the revenues to be generated, Transporter will calculate the revenues based upon the applicable transportation rates exclusive of any ACA charges, and the projected incremental volumes expected to be transported.
- (b) The volumes will be deemed incremental if any of the following criteria are met:
  - (1) the volumes proposed to be transported through the contemplated facilities are in excess of the volumes which could be transported through existing facilities considering both the capacity of the existing facilities and currently effective priorities of service through such facilities; or
  - (2) the volumes which would be transported would not otherwise flow through Transporter's Pipeline Facilities, as verified by Shipper's affidavit certifying that unless Transporter pays for the contemplated facilities, Shipper will not ship the volumes through Transporter's Pipeline Facilities.

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FERC Docket: CP96-790-003

**Original Sheet No. 207** Original Sheet No. 207 : Effective

GENERAL TERMS AND CONDITIONS

28. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF LATERAL FACILITIES con't

28.3 Billing

Any monetary reimbursement due Transporter by Shipper pursuant to Section 28.1 shall be due and payable to Transporter within ten (10) Days of receipt by Shipper of Transporter's bills for same; provided, however, subject to Transporter's written consent such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of Shipper's Service Agreement. Carrying charges shall be computed utilizing interest factors acceptable to both Transporter and Shipper.

28.4 Open Season

Prior to the proposed construction of facilities, Transporter shall hold an open season during which Shippers may submit capacity requests for the project. Transporter shall apply a non-discriminatory method of allocating the available capacity and shall also solicit permanent capacity release offers and take such offers into consideration in determining the size of the new facilities.



GENERAL TERMS AND CONDITIONS

29. WAIVERS

29.1 Penalty Waivers

- (a) In recognition of the fact that each penalty provision in this Tariff is intended to promote efficient operations by Transporter, so that service to other Shippers is not impaired in any way, Transporter may waive any penalty charges incurred by Shipper if Transporter determines in its reasonable judgment that Shipper was conducting its operations in a responsible manner at the time the penalty charges were incurred and that Shipper's conduct did not impair service to another Shipper. Transporter must grant waivers under this section on a non-discriminatory basis, but the waiver of any penalty charges shall not constitute an automatic waiver of any future penalty charges.
- (b) Transporter shall maintain a record of all waivers granted under this Section 29.1 and shall make such record available upon request to the Commission and to any Shipper.

29.2 Waiver Under Tariff

Transporter may also waive on a non-discriminatory basis any provision of the GT&C, the applicable Rate Schedules, or the Service Agreement; provided, however, that no waiver by Transporter of any provision, condition or requirement therein shall be deemed to be a waiver of, or in any manner release the other from, performance of any other provision, condition, or requirement of the GT&C of Transporter's Tariff, the applicable Rate Schedules, or the Service Agreements, nor shall such waiver be deemed to be a waiver of, or in any manner release the other from future performance of the same provision, condition or requirement; nor shall any delay or omission of Transporter to exercise any right in the GT&C, the applicable Rate Schedules, or the Service Agreements, in any manner impair the exercise of any such right or any like right accruing to it thereafter.

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 209** Original Sheet No. 209 : Effective

GENERAL TERMS AND CONDITIONS

30. MODIFICATION

No modification of the terms and provisions of any Service Agreement shall be or become effective except by the execution of a written instrument.

Effective Date: 12/01/1997 Status: Effective

FERC Docket: CP96-790-003

**Original Sheet No. 210** Original Sheet No. 210 : Effective

GENERAL TERMS AND CONDITIONS

31. ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to all of the obligations of its predecessors in interest under a Service Agreement. Subject to the provisions of the applicable Rate Schedule, any party may, without relieving itself of its obligations under the Service Agreement, assign any of its rights thereunder to a company with which it is affiliated, but otherwise no assignment of such Service Agreement, of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of Transporter. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a Service Agreement as security of its indebtedness.

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 211** Original Sheet No. 211 : Effective

GENERAL TERMS AND CONDITIONS

32. MARKET CENTERS

Nothing in Transporter's Tariff shall operate to inhibit the development of market centers at the interconnections between Transporter's Pipeline Facilities and other pipelines or LDC systems.

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 212** Original Sheet No. 212 : Effective

GENERAL TERMS AND CONDITIONS

33. DESCRIPTIVE HEADINGS

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

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Original Sheet No. 213** Original Sheet No. 213 : Effective

GENERAL TERMS AND CONDITIONS

34. GOVERNMENTAL REGULATIONS

This Tariff, including the GT&C, and the respective obligations of the parties under any Service Agreement are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law.

Effective Date: 12/01/1997 Status: Effective

FERC Docket: RP97-446-001

**First Revised Sheet No. 214** First Revised Sheet No. 214 : Effective

Superseding: Original Sheet No. 214

GENERAL TERMS AND CONDITIONS

35. ANNUAL CHARGE ADJUSTMENT CLAUSE

35.1 Purpose:

In order to recover the annual charges assessed by the Commission under Section 382.202 of the Commission's Regulations pursuant to the provisions of the Commission's Order No. 472, this Section 35 of the General Terms and Conditions is established to be applicable to the Rate Schedules contained in Volume No. 1 of Transporter's FERC Gas Tariff. Because Transporter is electing to recover the annual charges assessed by the Commission through the operation of this Annual Charge Adjustment Clause, Transporter does not intend to recover any annual charges recorded in Account No. 928 in any Natural Gas Act Section 4 rate case.

35.2 Basis for the Annual Charge Adjustment Clause:

The Rate Schedules specified in Section 35.1 hereof shall include an Annual Charge Adjustment unit charge (ACA unit charge) applicable to each Dth of gas transported thereunder in the amount set forth on Original Sheet No. 9 thereof. The ACA unit charge shall be added to the volumetric rate of any Rate Schedule with a reservation charge.

35.3 Filing Procedures:

Changes to the ACA unit charge must be filed annually to reflect the annual charge unit rate authorized by the Commission each fiscal year and are subject to the notice requirements of Section 154.207 of the Commission's Regulations. Transporter shall not commence to collect the ACA unit charge until Transporter has received authorization from the Commission.

*Effective Date: 12/01/1997 Status: Effective*

*FERC Docket: CP96-790-003*

**Sheet Nos. 215-244** Sheet Nos. 215-244 : Effective

SHEETS RESERVED FOR FUTURE USE

Sheet Nos. 215-244 are reserved for future use



Effective Date: 08/01/2009 Status: Effective  
FERC Docket: RP09-621-000

**Ninth Revised Sheet No. 216** Ninth Revised Sheet No. 216  
Superseding: Second Sub Eighth Revised Sheet No. 216

GENERAL TERMS AND CONDITIONS

37. NORTH AMERICAN ENERGY STANDARDS BOARD "NAESB"

Transporter hereby incorporates into this Gas Tariff by reference the following NAESB Ver. 1.8 business standards which have been adopted by the Commission in its regulations.

NAESB Standard Number:

0.1.1-3	1.3.52-77	3.3.16	4.3.72-76
0.2.1-3	1.3.79	3.3.20-25	4.3.78-87
0.3.1-6	1.4.1-7	3.3.26	4.3.90-93
0.3.10-15	2.1.1-6	3.4.1-4	5.1.1-4
0.4.1	2.2.2-3	4.1.2-4	5.2.2-3
1.1.1-5	2.3.1	4.1.6-7	5.3.9-10
1.1.7	2.3.6	4.1.10	5.3.11
1.1.9-18	2.3.9	4.1.12-13	5.3.17
1.1.20-22	2.3.21	4.1.15-24	5.3.22-23
1.2.1-2	2.3.25	4.1.26-40	5.3.29-43
1.2.5	2.3.29-30	4.2.1-6	5.3.45-52
1.2.8-12	2.3.32-35	4.2.7-20	5.3.57-58
1.2.13-19	2.3.40-51	4.3.1-3	5.4.1-23
1.3.3-4	2.3.52-59	4.3.5	6.3.1-4
1.3.11	2.3.62-65	4.3.16-18	6.5.2-4
1.3.14-21	2.4.1-18	4.3.20	10.1.1-9
1.3.24	3.1.1-2	4.3.22-36	10.2.1-38
1.3.25-46	3.3.1-2	4.3.38-62	10.3.1
1.3.47-51	3.3.5-13	4.3.65-69	10.3.3-25

NAESB Electronic Data Interchange Model Trading Partner Agreement -  
Adopted August 13, 1997

*Effective Date: 08/01/2009 Status: Effective*

*FERC Docket: RP09-621-000*

**Fifth Revised Sheet No. 217** Fifth Revised Sheet No. 217

Superseding: Substitute Fourth Revised Sheet No. 217

GENERAL TERMS AND CONDITIONS

Sheet Reserved for Future Use

GENERAL TERMS AND CONDITIONS

38. SEGMENTATION OF CAPACITY

Any Shipper receiving firm transportation service under Rate Schedules FT-1, FT-2 or FT-3 may segment its capacity by nominating service at any Points of Receipt and Points of Delivery along the Pipeline Facilities, provided that: (1) the segmentation nomination is operationally feasible; (2) the net physical total of the segmentation nominations by the original Shipper or a combination of Releasing and Replacement Shippers on any overlapping segment does not exceed the firm entitlements of the underlying Transportation Service Agreement for any segment; (3) capacity exists at the applicable Points of Receipt and Points of Delivery subject to the segmentation nomination; and (4) all gas transported through Shipper's use of segmentation opportunities hereunder remains in compliance with the gas quality and thermal content requirements of this tariff. Subject to the limits set forth herein, a Shipper acquiring segmented capacity shall also be permitted to nominate Secondary Points of Receipt and Secondary Points of Delivery up to Shipper's MDTQ.

Further, unless otherwise agreed, the rates and charges applicable to service from the Primary Points of Receipt to the Primary Points of Delivery shall also apply to segmented service along the primary path. For purposes of determining whether a nominated segmented release is operationally feasible, Transporter shall take into consideration the availability of mainline and/or point capacity, the location on Transporter's Pipeline Facilities of the nominated segment, and whether or not the nomination is otherwise consistent with the tariff requirements and scheduling practices for all of Transporter's services.

39. NON-CONFORMING AND OTHER AGREEMENTS

39.1 Non-Conforming Agreements

(a) Rate Schedule FT-2

- (i) BHP Billiton Petroleum (Deepwater) Inc., Service Agreement for Rate Schedule FT-2, dated July 1, 2003 (#103080)
- (ii) BP Exploration & Production Inc., Service Agreement for Rate Schedule FT-2, dated November 18, 2004, as amended (#103016)
- (iii) Devon Energy Production Company, L.P. (successor-in-interest to Brown Angus Properties, Inc.), Service Agreement for Rate Schedule FT-2, dated March 1, 2000, as amended (#100071)
- (iv) Devon Energy Production Company (successor-in-interest to Santa Fe Snyder Corporation), Service Agreement for Rate Schedule FT-2, dated August 15, 1999 (#101508)
- (v) Devon Louisiana Corporation (successor-in-interest to Ocean Energy Inc.), Service Agreement for Rate Schedule FT-2, dated November 15, 2000 (#101747)
- (vi) Marathon Oil Company, Service Agreement for Rate Schedule FT-2, dated December 8, 1997, as amended (#101086)
- (vii) Marubeni Oil & Gas (USA) Inc., Service Agreement for Rate Schedule FT-2, dated July 1, 2005 (#109633)
- (viii) Newfield Exploration Company, Service Agreement for Rate Schedule FT-2, dated August 17, 2004 (#108131)
- (ix) Shell Gulf of Mexico (successor-in-interest to Reading & Bates Development Co.), Service Agreement for Rate Schedule FT-2, dated July 13, 1999 (#100931)

Effective Date: 12/01/2006 Status: Effective

FERC Docket: RP07- 54-000

Original Sheet No. 220 Original Sheet No. 220 : Effective

39. NON-CONFORMING AND OTHER AGREEMENTS (cont.)

- (x) Shell Offshore Inc., Service Agreement for Rate Schedule FT-2, dated December 10, 1997, as amended (#101097)
- (xi) Union Oil Company of California, Service Agreement for Rate Schedule FT-2, dated December 1, 2003 (#103086)

(b) Rate Schedule IT-1

- (i) Apache Corporation, Service Agreement for Rate Schedule IT-1, dated April 1, 2004 (#106967)
- (ii) Apache Corporation (successor-in-interest to Anadarko Energy Services Company), Service Agreement for Rate Schedule IT-1, dated July 1, 1998 (#101150)
- (iii) Badger Oil Corporation, Transportation Rate Schedule IT-1 Service Agreement, dated January 1, 2004 (#107412)
- (iv) Burlington Resources Trading Inc., Transportation Schedule IT-1 Service Agreement, dated January 1, 2004 (#107411)
- (v) Callon Offshore Production, Inc., Transportation Rate Schedule IT-1 Service Agreement, dated January 1, 2004 (#107415)
- (vi) Clovelly Oil Co., Inc., Service Agreement for Rate Schedule IT-1, dated August 15, 2004 (#108392)
- (vii) Duke Energy Trading and Marketing, L.L.C., Service Agreement for Rate Schedule IT-1, dated December 1, 1997 (#101092)
- (viii) Enterprise Products Operating L.P., Transportation Rate Schedule IT-1 Service Agreement, dated March 1, 2004 (#107591)
- (ix) ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation, Transportation Rate Schedule IT-1 Service Agreement, dated December 11, 2003 (#106701)

Effective Date: 12/01/2006 Status: Effective  
FERC Docket: RP07- 54-000

**Original Sheet No. 221** Original Sheet No. 221 : Effective

39. NON-CONFORMING AND OTHER AGREEMENTS (cont.)

- (x) Hilcorp Energy Company, Transportation Rate Schedule IT-1 Service Agreement, dated January 1, 2004 (#107414)
- (xi) LLOG Exploration Company L.L.C., Service Agreement for Rate Schedule IT-1, dated June 1, 2005 (#109472)
- (xii) Northstar Interests, L.C., Transportation Rate Schedule IT-1 Service Agreement, dated February 1, 2004 (#107551)
- (xiii) PXP Gulf Coast Inc., Transportation Rate Schedule IT-1 Service Agreement, dated January 1, 2004 (#107413)
- (xiv) Shell Offshore Inc., Transportation Rate Schedule IT-1 Service Agreement, dated December 1, 2002 (#105073)
- (c) Rate Schedule PSH
  - (i) Callon Offshore Production, Inc., Service Agreement for Rate Schedule Preferred Short-Haul (PSH), dated April 1, 2003, as amended (#106601)
  - (ii) ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation (successor-in-interest to Exxon Company U.S.A., a division of Exxon Corporation), Service Agreement for Rate Schedule Preferred Short-Haul (PSH), dated November 1, 1999, as amended (#100438)
  - (iii) Hilcorp Energy Company, Service Agreement for Rate Schedule Preferred Short-Haul (PSH), dated January 25, 2001 (#101885)
  - (iv) Northstar Interests, L.C., Service Agreement for Rate Schedule Preferred Short-Haul (PSH), dated February 1, 2004 (#107531)
  - (v) 3TEC Energy Corporation (predecessor-in-interest to PXP Gulf Coast Inc.), Service Agreement for Rate Schedule Preferred Short-Haul (PSH), dated November 1, 2000 (#101710)

*Effective Date: 12/01/2006 Status: Effective*

*FERC Docket: RP07- 54-000*

**Original Sheet No. 222** Original Sheet No. 222 : Effective

39. NON-CONFORMING AND OTHER AGREEMENTS (cont.)

39.2 Other Agreements

- (a) Marathon Oil Company, Reserve Dedication & Discount Rate Agreement, dated January 17, 1997 as amended
- (b) Shell Offshore Inc., Reserve Dedication & Discount Rate Agreement, dated January 17, 1997 as amended

GENERAL TERMS AND CONDITIONS

40. NEGOTIATED RATES

40.1 PRECONDITIONS TO NEGOTIATED RATES

Rates (including but not limited to Transporter Use Gas) to be charged by Transporter for service to any Shipper under Rate Schedule FTS, FTS-2, FT-3, PSH or ITS may deviate in either form or level or both from the applicable maximum and/or minimum rate level in this Tariff, subject to the following provisions:

(a) Transporter and Shipper have executed a valid Service Agreement containing therein or in a related agreement a specific mutual understanding that Negotiated Rate(s) or a Negotiated Rate Formula will apply to service for that Shipper;

(b) At the time of execution of the Service Agreement (or the amendment to a Service Agreement), which first provides for the applicability to Shipper of the Negotiated Rate(s) or Negotiated Rate Formula, service was available pursuant to the terms and conditions (not modified by this Section 40) of Rate Schedule FTS, FTS-2, FT-3, PSH or ITS of this Tariff, as applicable;

(c) Transporter may only offer or accept offers for service under this Section 40 if and to the extent service is available at the Recourse Rate;

(d) Transporter will not negotiate terms and conditions of service under this Section 40; and

(e) No later than the Business Day on which Transporter commences service at such Negotiated Rate(s) or Negotiated Rate Formula (or if the Day on which Transporter commences service is not a Business Day, then no later than the next Business Day after Transporter commences service), Transporter will file a tariff sheet advising the Commission of such Negotiated Rate or Negotiated Rate Formula, stating the name of Shipper, the type of service, the primary Point(s) of Receipt and Point(s) of Delivery applicable to the service, the volume of the Gas to be transported, any other charges, and specifying either: (i) the specific Negotiated Rate included in such Service Agreement; or (ii) the Negotiated Rate Formula included in such Service Agreement with sufficient specificity such that the rate in effect from time to time can be readily



Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

**Original Sheet No. 224** Original Sheet No. 224

GENERAL TERMS AND CONDITIONS

40.1 PRECONDITIONS TO NEGOTIATED RATES (con't)

calculated. The tariff sheet must either incorporate a statement that the Service Agreement does not deviate from the form of Service Agreement in any material respect, or Transporter shall file with the Commission a copy of the non-conforming agreement.

40.2 CAPACITY ALLOCATION

(a) To the extent the revenue level pursuant to the Negotiated Rate(s) or Negotiated Rate Formula provided for in Section 40.1 above, as calculated under Subsection (b) of this Section 40.2, exceeds the comparable revenue level at the Recourse Rate, the Shipper bidding or paying such Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be treated, for all capacity allocation purposes, as if the rate(s) bid or paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity as a Shipper willing to pay an equal or higher Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula. If the Negotiated Rate or the rate under a Negotiated Rate Formula is higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for release capacity pursuant to Section 22 of these General Terms and Conditions and for the bidding of capacity pursuant to Section 24 of these General Terms and Conditions. Where the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula results in revenue which is greater than the Recourse Rate during certain portions of the relevant evaluation period but less than the revenue at the Recourse Rate during other portions of the relevant evaluation period (but the revenue pursuant to the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula equals or exceeds that which would be generated at the Recourse Rate for the entire evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula result in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority than bids or requests at the Recourse Rate.

Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

Original Sheet No. 225 Original Sheet No. 225

#### GENERAL TERMS AND CONDITIONS

(b) In allocating capacity among competing requests where one or more request is at a Negotiated Rate(s) or Negotiated Rate Formula, Transporter will consider, in assigning value to such request(s), only reservation or demand charge revenue or other revenue which is guaranteed to be received by Transporter (i.e., through a minimum throughput condition or minimum bill). For capacity evaluation purposes, the value of any such request shall be capped by the value of the maximum applicable reservation rate for such service over the contract term bid.

#### 40.3 ACCOUNTING FOR COSTS AND REVENUES

The allocation of costs to, and the recording of revenues from service at Negotiated Rate(s) will follow Transporter's normal practices associated with all of its services under this Tariff. Transporter will maintain separate records of Negotiated Rate and Negotiated Rate Formula transactions for each billing period. These records shall include the volumes transported, the billing determinants (contract MDTQ), the rates charged and the revenue received associated with such transactions. Transporter will separately identify such transactions in Statements G, I and J (or their equivalent) filed in any general rate proceeding.

#### 40.4 EFFECT OF NEGOTIATED RATE

By agreeing to a Negotiated Rate(s) or Negotiated Rate Formula, Shipper acknowledges that the otherwise generally applicable Recourse Rate shall not apply or be available to Shipper for service under the applicable Service Agreement during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective, notwithstanding any adjustment to such Recourse Rate or Negotiated Rate Formula which may become effective during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective. If, at any time during the period for which the Negotiated Rate(s) or Negotiated Rate Formula is effective, Transporter is collecting its effective Recourse Rate subject to refund under Section 4 of the Natural Gas Act, Transporter shall have no refund obligation to Shipper even if the final Recourse Rate is reduced to a level below the Negotiated Rate(s) or Negotiated Rate Formula.

#### 40.5 CAPACITY RELEASE

The capacity release provisions contained within this Tariff shall not apply to a Shipper receiving firm transportation service with a Negotiated Rate(s) or Negotiated Rate Formula that does not contain a reservation rate.

*Effective Date: 04/05/2010 Status: Effective*

*FERC Docket: RP10-475-000*

**Sheet Nos. 226-244** Sheet Nos. 226-244

GENERAL TERMS AND CONDITIONS

Reserved for Future Use

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 245** First Revised Sheet No. 245  
Superseding: Original Sheet No. 245

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement is made and entered into this \_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between Nautilus Pipeline Company, L.L.C. (herein called "Transporter") and \_\_\_\_\_ (herein called "Shipper").

W I T N E S S E T H:

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase firm transportation service from Transporter;

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

ARTICLE I  
DEFINITIONS

The terms used in this Service Agreement shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Subject to the terms, conditions and limitations hereof, Transporter's Rate Schedule FT-1 and the GT&C of Transporter's Tariff, transportation service hereunder will be firm and Transporter agrees to receive from Shipper during the term of this Service Agreement for Shipper's account quantities of Natural Gas up to the Maximum Daily Transportation Quantity (MDTQ) specified on Exhibit "A" hereto and to deliver to Shipper Thermally Equivalent Quantities.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 246** First Revised Sheet No. 246  
Superseding: Original Sheet No. 246

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

2.2 Transporter will receive from Shipper or for Shipper's account for transportation hereunder daily quantities of Natural Gas up to Shipper's MDTQ at Point(s) of Receipt specified on Exhibit "A" hereto. Transporter will transport and deliver to Shipper or for Shipper's account such daily quantities tendered up to Shipper's MDTQ at Point(s) of Delivery specified on Exhibit "A" hereto. Any limitations on the quantities to be received by Transporter at each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" hereto.

2.3 On any given Day, Transporter shall not be obligated to but may, at its sole discretion, receive at Point(s) of Receipt and deliver at Point(s) of Delivery quantities of Natural Gas in excess of Shipper's MDTQ.

ARTICLE III  
TERM OF AGREEMENT

3.1 This Service Agreement shall become effective on \_\_\_\_\_ and service hereunder will commence on \_\_\_\_\_; thereafter, the term of this Service Agreement will continue in force and effect for a Primary Term of \_\_\_\_\_ and unless terminated upon \_\_\_\_\_ notice, \_\_\_\_\_ to \_\_\_\_\_ thereafter. This Service Agreement may be terminated in accordance with Section 15 of Rate Schedule FT-1 or by either Transporter or Shipper after expiration of the Primary Term only upon \_\_\_\_\_ Days' prior written notice to the other.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 247** Original Sheet No. 247 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

- 3.2 The termination of this Service Agreement, or the provision by Shipper of a termination notice to Transporter, pursuant to the above provisions, triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination. Any termination notice provided by Transporter triggers Shipper's right of first refusal under Section 24 of the GT&C on the effective date of the termination. To the extent that Shipper desires to terminate this Service Agreement prior to its expiration date, and Transporter agrees to such termination, Transporter shall be entitled to collect as part of the exit fee all, or such lesser portion as Transporter agrees to, of the capacity Reservation Charge otherwise recoverable by Transporter from Shipper for the balance of the contractual term absent such early termination.
- 3.3 Any provisions of this Service Agreement necessary to correct or cash out imbalances or to pay all applicable charges will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

ARTICLE IV  
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 4.1 Shipper agrees to and will pay Transporter all applicable charges and fees provided for in Rate Schedule FT-1 and the GT&C of Transporter's Tariff, as effective from time to time, for service under this Service Agreement.

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 248** Second Revised Sheet No. 248 : Effective  
Superseding: First Revised Sheet No. 248  
FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

- 4.2 All of the GT&C of Transporter's Tariff and Rate Schedule FT-1 of which this Service Agreement is a part shall be applicable to service hereunder and shall be made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and Rate Schedule FT-1 or this Service Agreement, the specific provisions of Rate Schedule FT-1 or this Service Agreement shall control. Unless otherwise specifically provided, as between Rate Schedule FT-1 and this Service Agreement, in the event of a conflict, the specific provision of Rate Schedule FT-1 shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.
- 4.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (i) the rates and charges applicable to Transporter's Rate Schedule FT-1; (ii) the terms and conditions of service for Rate Schedule FT-1 pursuant to which service hereunder is rendered; and/or (iii) any provision of the GT&C of Transporter's Tariff applicable to service under Rate Schedule FT-1. Shipper further agrees that the rates applicable to this Service Agreement shall be subject to discount, adjustment, and change pursuant to Section 27 of the GT&C of Transporter's Tariff. Such discounted rate shall be set forth in Exhibit "B-1". If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "B-2", "B-3", etc.) shall be added to this Service Agreement for each discounted rate. Any Exhibit "B-1" and any additional exhibits (designated sequentially as Exhibit "B-2", "B-3", etc.) are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length. Transporter agrees that Shipper may protest or contest any such filings or may seek authorization from duly constituted regulatory authorities for such adjustments of Transporter's Tariff as may be necessary to ensure that the provisions in (i), (ii), or (iii) above are consistent with regulatory law and policy.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 249** Original Sheet No. 249 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

ARTICLE V  
POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

- 5.1 The Point(s) of Receipt and Point(s) of Delivery at which Transporter shall receive and deliver Natural Gas, respectively, shall be specified in Exhibit "A" of this Service Agreement.
- 5.2 Exhibit "A" is hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

ARTICLE VI  
QUALITY

All Natural Gas tendered to Transporter by Shipper or for Shipper's account shall conform to the quality specifications set forth in Section 3 of the GT&C of Transporter's Tariff.

ARTICLE VII  
RESERVATIONS

Transporter shall have the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm Shippers.



*Effective Date: 04/05/2010 Status: Effective*

*FERC Docket: RP10-475-000*

**Third Revised Sheet No. 250** Third Revised Sheet No. 250  
Superseding: Second Revised Sheet No. 250

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

ARTICLE VIII  
GOVERNMENTAL AUTHORIZATIONS

It is hereby agreed that transportation service under this Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

ARTICLE IX  
ADDRESSES

Except as otherwise provided herein or as provided in the GT&C of Transporter's Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when received by the party to whom it is sent at the applicable address set forth below:

(a) Transporter:  
Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 251** First Revised Sheet No. 251  
Superseding: Original Sheet No. 251

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

(b) Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address, including email addresses if applicable, as either party designates by formal written notice.

ARTICLE X  
ASSIGNMENTS

Any company which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Transporter may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter. Except as set forth above, neither Shipper nor Transporter shall assign this Service Agreement or any of its rights hereunder without the prior written consent of the other party; provided, further, that neither Shipper nor Transporter shall be released from its obligations hereunder without the consent of the other.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

Original Sheet No. 252 Original Sheet No. 252 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

ARTICLE XI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Service Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Service Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Service Agreement; (d) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Service Agreement and the performance of its duties as Operator (provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

ARTICLE XII  
INTERPRETATION

12.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws which would require the application of the laws of another state.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 253** Original Sheet No. 253 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

12.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE XIII  
WAIVER

Any waiver by either Shipper or Transporter of performance due to the other under this Service Agreement shall be without prejudice to the right of the waiving party to demand future performance by the other party which is in strict compliance with the terms of this Service Agreement.

ARTICLE XIV  
THIRD PARTY RIGHTS

This Service Agreement is for the sole and exclusive benefit of Shipper and Transporter. Nothing expressed or implied hereunder is intended to benefit any other Person or entity. No such Person or entity shall have any legal or equitable right, remedy, or claim under any provision of this Service Agreement.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 254** Second Revised Sheet No. 254  
Superseding: First Revised Sheet No. 254

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

ARTICLE XV  
CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers, the Day and year first above written.

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_

Title: \_\_\_\_\_

(SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 255** First Revised Sheet No. 255  
Superseding: Original Sheet No. 255

EXHIBIT "A"  
to  
SERVICE AGREEMENT UNDER  
FIRM RATE SCHEDULE FT-1  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

FIRM POINT(S) OF RECEIPT

MDTQ POINT OF RECEIPT

FIRM POINT(S) OF DELIVERY

MDTQ POINT OF DELIVERY MINIMUM PRESSURE, if  
applicable

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "A" Dated \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective

FERC Docket: RP06-229-000

First Revised Sheet No. 255A First Revised Sheet No. 255A : Effective  
Superseding: Original Sheet No. 255A

EXHIBIT "B-\_"  
to  
SERVICE AGREEMENT UNDER  
FIRM RATE SCHEDULE FT-1  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth actually transported)

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 255B** First Revised Sheet No. 255B : Effective  
Superseding: Original Sheet No. 255B

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "B-\_" Dated: \_\_\_\_\_



Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 256** Original Sheet No. 256 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

This Service Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Nautilus Pipeline Company, L.L.C. (herein called "Transporter") and \_\_\_\_\_ (herein called "Shipper").

W I T N E S S E T H

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase firm transportation service from Transporter;

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

ARTICLE I  
DEFINITIONS

The terms used in this Service Agreement shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Subject to the terms, conditions and limitations hereof, Transporter's Rate Schedule FT-2, and the GT&C of Transporter's Tariff, transportation service hereunder will be firm and Transporter agrees to receive from Shipper during the term of this Service Agreement for Shipper's account quantities of Natural Gas from the OCS Field(s) and Leasehold Interest(s) listed on Exhibit "A" hereto up to the Maximum Daily Transportation Quantities (MDTQs) specified on Exhibit "B" hereto and to deliver to Shipper Thermally Equivalent Quantities.

Effective Date: 01/01/2002 Status: Effective  
FERC Docket: RP02-117-000

**First Revised Sheet No. 257** First Revised Sheet No. 257 : Effective  
Superseding: Original Sheet No.257

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

2.2 Transporter will receive from Shipper daily quantities of Natural Gas up to Shipper's MDTQ at Point(s) of Receipt specified on Exhibit "B" hereto. Transporter will transport and deliver to Shipper or for Shipper's account such daily quantities tendered up to Shipper's MDTQ at Point(s) of Delivery specified on Exhibit "B" hereto. Any limitations on the quantities to be received by Transporter at each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "B" hereto.

ARTICLE III  
TERM OF AGREEMENT

3.1 This Service Agreement shall become effective on \_\_\_\_\_ and service hereunder will commence on \_\_\_\_\_; thereafter this Service Agreement shall continue in force and effect for the life of the reserves dedicated to this Service Agreement from the OCS Field(s) and Leasehold Interest(s) listed on Exhibit "A" hereto, except as provided in Section 3.8 of Rate Schedule FT-2. If service hereunder has not commenced within thirty-six (36) Months of the later of Shipper's Request Date or the in-service date of Transporter's Pipeline Facilities, Shipper's request for service and this Service Agreement shall become null and void and of no further legal effect.

3.2 This Service Agreement may only be terminated in accordance with Section 3.1, above, or as provided in Section 20 of Rate Schedule FT-2. Termination of this Service Agreement pursuant to the above provisions triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 258** Original Sheet No. 258 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

- 3.3 Any provisions of this Service Agreement necessary to correct or cash out imbalances or to pay all applicable charges will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

ARTICLE IV  
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 4.1 Shipper agrees to and will pay Transporter all applicable charges and fees provided for in Rate Schedule FT-2 and the GT&C of Transporter's Tariff, as effective from time to time, for service under this Service Agreement.
- 4.2 All of the GT&C of Transporter's Tariff and Rate Schedule FT-2 of which this Service Agreement is a part shall be applicable to service hereunder and shall be made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and Rate Schedule FT-2 or this Service Agreement, the specific provisions of Rate Schedule FT-2 or this Service Agreement shall control. Unless otherwise specifically provided, as between Rate Schedule FT-2 and this Service Agreement, in the event of a conflict, the specific provision of Rate Schedule FT-2 shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 259** Second Revised Sheet No. 259 : Effective  
Superseding: First Revised Sheet No. 259  
FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

- 4.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (i) the rates and charges applicable to Transporter's Rate Schedule FT-2; (ii) the terms and conditions of service for Rate Schedule FT-2 pursuant to which service hereunder is rendered; and/or (iii) any provision of the GT&C of Transporter's Tariff applicable to service under Rate Schedule FT-2. Shipper further agrees that the rates applicable to this Service Agreement shall be subject to discount, adjustment, and change pursuant to Section 27 of the GT&C of Transporter's Tariff. Such discounted rate shall be set forth in Exhibit "C-1". If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "C-2", "C-3", etc.) shall be added to this Service Agreement for each discounted rate. Any Exhibit "C-1" and any additional exhibits (designated sequentially as Exhibit "C-2", "C-3", etc.) are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length. Transporter agrees that Shipper may protest or contest any such filings or may seek authorization from duly constituted regulatory authorities for such adjustments of Transporter's Tariff as may be necessary to ensure that the provisions in (i), (ii), or (iii) above are consistent with regulatory law and policy.

ARTICLE V  
POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

- 5.1 The Point(s) of Receipt and Point(s) of Delivery at which Transporter shall receive and deliver Natural Gas, respectively, shall be specified in Exhibit "B" of this Service Agreement.
- 5.2 Exhibit "B" is hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 260** Original Sheet No. 260 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

ARTICLE VI  
QUALITY

All Natural Gas tendered to Transporter by Shipper shall conform to the quality specifications set forth in Section 3 of the GT&C of Transporter's Tariff.

ARTICLE VII  
RESERVATIONS

Transporter shall have the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm Shippers.

ARTICLE VIII  
GOVERNMENTAL AUTHORIZATIONS

It is hereby agreed that transportation service under this Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

ARTICLE IX  
ADDRESSES

Except as otherwise provided herein or as provided in the GT&C of Transporter's Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when received by the party to whom it is sent at the applicable address set forth below:

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 261** Third Revised Sheet No. 261  
Superseding: Second Revised Sheet No. 261

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

(a) Transporter:  
Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

(b) Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address, including email addresses if applicable, as  
either party designates by formal written notice.

ARTICLE X  
ASSIGNMENTS

Any company which succeeds by purchase, merger, or consolidation to the  
properties, substantially as an entirety, of Shipper or of Transporter  
will be entitled to the rights and will be subject to the obligations of  
its predecessor in title under this Service Agreement. Either Shipper  
or Transporter may assign or pledge this Service Agreement under the  
provisions of any mortgage, deed of trust, indenture, bank credit  
agreement, assignment, receivable sale, or similar instrument which it  
has executed or may execute hereafter. Shipper may assign this Service  
Agreement to an assignee(s) of Shipper's interest in the Commitment set  
forth in Exhibit "A" hereto who is an

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 262** Original Sheet No. 262 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

Affiliate of Shipper and who satisfies the requirements of Rate Schedule FT-2. None of Shipper's right or interest in the Commitment set forth on Exhibit "A" hereto shall be assigned to an unrelated third party without the prior written consent of Transporter, which consent shall not be unreasonably withheld.

ARTICLE XI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Service Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Service Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Service Agreement; (d) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Service Agreement and the performance of its duties as Operator (provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

Original Sheet No. 263 Original Sheet No. 263 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

ARTICLE XII  
INTERPRETATION

12.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws which would require the application of the laws of another state.

12.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE XIII  
WAIVER

Any waiver by either Shipper or Transporter of performance due to the other under this Service Agreement shall be without prejudice to the right of the waiving party to demand future performance by the other party which is in strict compliance with the terms of this Service Agreement.

ARTICLE XIV  
THIRD PARTY RIGHTS

This Service Agreement is for the sole and exclusive benefit of Shipper and Transporter. Nothing expressed or implied hereunder is intended to benefit any other Person or entity. No such Person or entity shall have any legal or equitable right, remedy, or claim under any provision of this Service Agreement.



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 264** Second Revised Sheet No. 264  
Superseding: First Revised Sheet No. 264

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-2

ARTICLE XV  
CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers, the Day and year first above written.

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_

Title: \_\_\_\_\_

(SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective

FERC Docket: RP06-229-000

**First Revised Sheet No. 265** First Revised Sheet No. 265 : Effective  
Superseding: Original Sheet No.265

EXHIBIT "A"  
to  
SERVICE AGREEMENT UNDER RATE SCHEDULE FT-2  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

SHIPPER'S COMMITMENT

Leasehold Interest(s)

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "A" Dated \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 266** Third Revised Sheet No. 266  
Superseding: Second Revised Sheet No. 266

EXHIBIT "B"  
TO  
SERVICE AGREEMENT UNDER RATE SCHEDULE FT-2  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND  
\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

Delivery Period

FROM	TO	Receipt Point
mm/dd/yyyy	mm/dd/yyyy	
Ship Shoal 207		
MDTQ	Delivery Point(s)	
(Name)		
MDTQ	Delivery Point(s)	
(Name)		
MDTQ	Minimum Delivery Pressure, if applicable	

Signed for Identification  
Transporter: \_\_\_\_\_  
Shipper: \_\_\_\_\_  
Supersedes Exhibit "B - \_\_\_\_" Dated \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 266A** First Revised Sheet No. 266A : Effective  
Superseding: Original Sheet No. 266A

EXHIBIT "C-\_"  
to  
SERVICE AGREEMENT UNDER FIRM RATE SCHEDULE FT-2  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND  
\_\_\_\_\_ ("SHIPPER")

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease  
\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth actually transported)

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 266B** First Revised Sheet No. 266B : Effective  
Superseding: Original Sheet No. 266B

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "C-" Dated: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 267** First Revised Sheet No. 267  
Superseding: Original Sheet No. 267

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

This Service Agreement is made and entered into this \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between Nautilus Pipeline Company, L.L.C. (herein called "Transporter") and \_\_\_\_\_ (herein called "Shipper").

W I T N E S S E T H:

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase firm transportation service from Transporter;

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

ARTICLE I  
DEFINITIONS

The terms used in this Service Agreement shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Subject to the terms, conditions and limitations hereof, Transporter's Rate Schedule FT-3, and the GT&C of Transporter's Tariff, transportation service hereunder will be firm and Transporter agrees to receive from Shipper during the term of this Service Agreement for Shipper's account quantities of Natural Gas from the OCS Field(s) and Leasehold Interest(s) listed on Exhibit "A" hereto up to the Maximum Daily Transportation Quantities (MDTQs) specified on Exhibit "B" hereto and to deliver to Shipper Thermally Equivalent Quantities.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

Original Sheet No. 268 Original Sheet No. 268 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

2.2 Transporter will receive from Shipper for transportation hereunder daily quantities of Natural Gas up to Shipper's MDTQ at Point(s) of Receipt specified on Exhibit "B" hereto. Transporter will transport and deliver to Shipper such daily quantities tendered up to Shipper's MDTQ at Point(s) of Delivery specified on Exhibit "B" hereto. Any limitations on the quantities to be received by Transporter at each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "B" hereto.

ARTICLE III  
TERM OF AGREEMENT

- 3.1 This Service Agreement shall become effective on \_\_\_\_\_ and service hereunder will commence on \_\_\_\_\_; thereafter this Service Agreement shall continue in force for a Primary Term of \_\_\_\_\_ years and, unless terminated upon one (1) year prior notice, year-to-year thereafter. If service hereunder has not commenced within twelve (12) Months of the later of Shipper's service Request Date or the in-service date of Transporter's Pipeline Facilities, Shipper's request for service and this Service Agreement shall become null and void and of no further legal effect.
- 3.2 This Service Agreement may be terminated only in accordance with Section 3.1, above, or as provided in Section 17 of Rate Schedule FT-3. Termination of this Service Agreement pursuant to the above provisions triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 269** Original Sheet No. 269 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

- 3.3 Any provisions of this Service Agreement necessary to correct or cash out imbalances or to pay all applicable charges will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

ARTICLE IV  
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 4.1 Shipper agrees to and will pay Transporter all applicable charges and fees provided for in Rate Schedule FT-3 and the GT&C of Transporter's Tariff, as effective from time to time, for service under this Service Agreement.
- 4.2 All of the GT&C of Transporter's Tariff and Rate Schedule FT-3 of which this Service Agreement is a part shall be applicable to service hereunder and shall be made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and Rate Schedule FT-3 or this Service Agreement, the specific provisions of Rate Schedule FT-3 or this Service Agreement shall control. Unless otherwise specifically provided, as between Rate Schedule FT-3 and this Service Agreement, in the event of a conflict, the specific provision of Rate Schedule FT-3 shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.



Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 270** Second Revised Sheet No. 270 : Effective  
Superseding: First Revised Sheet No. 270  
FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

- 4.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (i) the rates and charges applicable to Transporter's Rate Schedule FT-3; (ii) the terms and conditions of service for Rate Schedule FT-3 pursuant to which service hereunder is rendered; and/or (iii) any provision of the GT&C of Transporter's Tariff applicable to service under Rate Schedule FT-3. Shipper further agrees that the rates applicable to this Service Agreement shall be subject to discount, adjustment, and change pursuant to Section 27 of the GT&C of Transporter's Tariff. Such discounted rate shall be set forth in Exhibit "C-1". If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "C-2", "C-3", etc.) shall be added to this Service Agreement for each discounted rate. Any Exhibit "C-1" and any additional exhibits (designated sequentially as Exhibit "C-2", "C-3", etc.) are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length. Transporter agrees that Shipper may protest or contest any such filings or may seek authorization from duly constituted regulatory authorities for such adjustments of Transporter's Tariff as may be necessary to ensure that the provisions in (i), (ii), or (iii) above are consistent with regulatory law and policy.

ARTICLE V  
POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

- 5.1 The Point(s) of Receipt and Point(s) of Delivery at which Transporter shall receive and deliver Natural Gas, respectively, shall be specified in Exhibit "B" of this Service Agreement.
- 5.2 Exhibit "B" is hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

*Effective Date: 12/01/1997 Status: Effective*  
*FERC Docket: CP96-790-003*

**Original Sheet No. 271** Original Sheet No. 271 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

ARTICLE VI  
QUALITY

All Natural Gas tendered to Transporter by Shipper shall conform to the quality specifications set forth in Section 3 of the GT&C of Transporter's Tariff.

ARTICLE VII  
RESERVATIONS

Transporter shall have the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm Shippers.

ARTICLE VIII  
GOVERNMENTAL AUTHORIZATIONS

It is hereby agreed that transportation service under this Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 272** Third Revised Sheet No. 272  
Superseding: Second Revised Sheet No. 272

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

ARTICLE IX  
ADDRESSES

Except as otherwise provided herein or as provided in the GT&C of Transporter's Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when received by the party to whom it is sent at the applicable address set forth below:

(a) Transporter:  
Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

(b) Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address, including email addresses if applicable, as either party designates by formal written notice.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 273** Original Sheet No. 273 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

ARTICLE X  
ASSIGNMENTS

Any company which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Transporter may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter. Shipper may assign this Service Agreement to an assignee(s) of Shipper's interest in the Commitment set forth in Exhibit "A" hereto which is an Affiliate of Shipper and which satisfies the requirements of Rate Schedule FT-3. None of Shipper's right or interest in the Commitment set forth on Exhibit "A" hereto shall be assigned to an unrelated third party without the prior written consent of Transporter, which consent shall not be unreasonably withheld.

ARTICLE XI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Service Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Service Agreement; (c) no claim shall

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 274** Original Sheet No. 274 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

be made against any member of Transporter under or in connection with this Service Agreement; (d) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Service Agreement and the performance of its duties as Operator (provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

ARTICLE XII  
INTERPRETATION

- 12.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws which would require the application of the laws of another state.
- 12.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 12/01/1997 Status: Effective

FERC Docket: CP96-790-003

**Original Sheet No. 275** Original Sheet No. 275 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

ARTICLE XIII  
WAIVER

Any waiver by either Shipper or Transporter of performance due to the other under this Service Agreement shall be without prejudice to the right of the waiving party to demand future performance by the other party which is in strict compliance with the terms of this Service Agreement.

ARTICLE XIV  
THIRD PARTY RIGHTS

This Service Agreement is for the sole and exclusive benefit of Shipper and Transporter. Nothing expressed or implied hereunder is intended to benefit any other Person or entity. No such Person or entity shall have any legal or equitable right, remedy, or claim under any provision of this Service Agreement.

ARTICLE XV  
CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 276** Second Revised Sheet No. 276  
Superseding: First Revised Sheet No. 276

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-3

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers, the Day and year first above written.

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(SHIPPER)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 277** First Revised Sheet No. 277 : Effective  
Superseding: Original Sheet No.277

EXHIBIT "A"  
to  
SERVICE AGREEMENT UNDER RATE SCHEDULE FT-3  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND  
\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

SHIPPER'S COMMITMENT

OCS Field(s)  
Leasehold Interest(s)

Signed for Identification  
Transporter: \_\_\_\_\_  
Shipper: \_\_\_\_\_  
Supersedes Exhibit "A" Dated \_\_\_\_\_



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 278** Third Revised Sheet No. 278  
Superseding: Second Revised Sheet No. 278

EXHIBIT "B"  
TO  
SERVICE AGREEMENT UNDER RATE SCHEDULE FT-3  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

Delivery Period

FROM	TO	Receipt Point
mm/dd/yyyy	mm/dd/yyyy	
Ship Shoal 207		
MDTQ	Delivery Point(s)	
(Name)		
MDTQ	Delivery Point(s)	
(Name)		
MDTQ	Minimum Delivery Pressure, if applicable	

Signed for Identification  
Transporter: \_\_\_\_\_  
Shipper: \_\_\_\_\_  
Supersedes Exhibit "B - \_\_\_\_" Dated \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 278A** First Revised Sheet No. 278A : Effective  
Superseding: Original Sheet No. 278A

EXHIBIT "C-\_"  
to  
SERVICE AGREEMENT UNDER RATE SCHEDULE FT-3  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND  
\_\_\_\_\_ ("SHIPPER")

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease  
\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth actually transported)

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 278B** First Revised Sheet No. 278B : Effective  
Superseding: Original Sheet No. 278B

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "C-" Dated: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

**Second Revised Sheet No. 279** Second Revised Sheet No. 279  
Superseding: First Revised Sheet No. 279

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

This Service Agreement, is made and entered into this \_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between Nautilus Pipeline Company, L.L.C., (herein called "Transporter") and \_\_\_\_\_ (herein called "Shipper").

W I T N E S S E T H:

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase interruptible transportation service from Transporter;

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

ARTICLE I  
DEFINITIONS

The terms used in this Service Agreement shall have the meanings set forth herein and in Section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Subject to the terms, conditions and limitations hereof, of Transporter's Rate Schedule IT-1 and of the GT&C of Transporter's Tariff, Transporter agrees to receive from Shipper on an interruptible basis quantities of Natural Gas up to the Maximum Daily Transportation Quantity (MDTQ) specified on Exhibit "A" hereto and to deliver to Shipper Thermally Equivalent Quantities.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 280** First Revised Sheet No. 280  
Superseding: Original Sheet No. 280

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

2.2 Transporter will receive from or for Shipper's account at the Point(s) of Receipt specified on Exhibit "A" hereto for transportation hereunder, daily quantities of Natural Gas up to Shipper's MDTQ. Transporter shall transport and deliver to or for Shipper's account, at the Point(s) of Delivery specified on Exhibit "A" hereto, such daily quantities tendered up to such Shipper's MDTQ.

2.3 On any given Day, Transporter shall not be obligated to receive at any Point(s) of Receipt or deliver at any Point of Delivery a quantity of Natural Gas in excess of the applicable MDTQ(s).

2.4 Service rendered hereunder shall be subject to interruption or curtailment when, in Transporter's sole, unfettered judgment, interruption or curtailment is necessary due to operating conditions or insufficient available capacity on Transporter's Pipeline Facilities or is otherwise necessary to protect authorized firm services.

ARTICLE III  
TERM OF AGREEMENT

3.1 The term of this Service Agreement shall commence on \_\_\_\_\_ and shall continue in force and effect until \_\_\_\_\_ and \_\_\_\_\_ to \_\_\_\_\_ thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by Transporter, in accordance with Section 13 of Rate Schedule IT-1, or by either Transporter or Shipper upon \_\_\_\_\_ Days' prior written notice to the other specifying a termination date.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 281** Original Sheet No. 281 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

- 3.2 The termination of this Service Agreement with a fixed contract term or the provision of a termination notice by Shipper triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.
- 3.3 Any provisions of this Service Agreement necessary to correct or cash out imbalances or to pay all applicable charges under this Service Agreement shall survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

ARTICLE IV  
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 4.1 For the entire period when this Service Agreement is in effect, this Service Agreement in all respects will be subject to the applicable provisions of Rate Schedule IT-1 and of the GT&C of Transporter's Tariff on file with the FERC, all of which are by this reference made a part hereof.
- 4.2 Shipper agrees to and shall pay Transporter all applicable charges and fees provided for in Transporter's Rate Schedule IT-1 and the GT&C of Transporter's Tariff, as effective from time to time, for service under this Service Agreement.
- 4.3 All of the GT&C of Transporter's Tariff and Rate Schedule IT-1 of which this Service Agreement is a part shall be applicable to service hereunder and shall be made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and Rate Schedule IT-1, or this Service Agreement, the

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 282** Second Revised Sheet No. 282 : Effective  
Superseding: First Revised Sheet No. 282

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

specific provisions of Rate Schedule IT-1 or this Service Agreement shall control. As between Rate Schedule IT-1 and this Service Agreement, in the event of a conflict, the specific provision of Rate Schedule IT-1, unless otherwise specifically provided, shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.

- 4.4 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (i) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT-1; (ii) the terms and conditions of service for Transporter's Rate Schedule IT-1 pursuant to which service hereunder is rendered; and/or (iii) any provision of the GT&C of Transporter's Tariff applicable to service under Rate Schedule IT-1. Shipper further agrees that the rates applicable to this Service Agreement shall be subject to discount, adjustment, and change pursuant to Section 28 of the GT&C of Transporter's Tariff. Such discounted rate shall be set forth in Exhibit "B-1". If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "B-2", "B-3", etc.) shall be added to this Service Agreement for each discounted rate. Any Exhibit "B-1" and any additional exhibits (designated sequentially as Exhibit "B-2", "B-3", etc.) are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length. Transporter agrees that Shipper may protest or contest the aforementioned filings or may seek authorization from duly constituted regulatory authorities for such adjustments to Transporter's Tariff as may be necessary to ensure that the provisions in (i), (ii), and (iii) above are consistent with the regulatory law and policy.

ARTICLE V  
POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

All Point(s) of Receipt and Point(s) of Delivery on Transporter's Pipeline Facilities shall be available for Natural Gas transported under this Rate Schedule, as shown on attached Exhibit "A". Exhibit "A" is hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 283** Original Sheet No. 283 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

ARTICLE VI  
QUALITY

All Natural Gas tendered to Transporter by Shipper or for Shipper's account shall conform to the quality specifications set forth in Section 3 of the GT&C of Transporter's Tariff.

ARTICLE VII  
RESERVATIONS

Transporter shall have the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to other firm Shippers.

ARTICLE VIII  
GOVERNMENTAL AUTHORIZATIONS

It is hereby agreed that transportation service under this Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 284** Third Revised Sheet No. 284  
Superseding: Second Revised Sheet No. 284

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

ARTICLE IX  
ADDRESSES

Except as herein otherwise provided or as provided in the GT&C of Transporter's Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and shall be considered as duly delivered when received by the party to whom it is sent at the applicable address set forth below:

(a) Transporter:  
Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

(b) Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address, including email addresses if applicable, as either party shall designate by formal written notices.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

Original Sheet No. 285 Original Sheet No. 285 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

ARTICLE X  
ASSIGNMENTS

Any company which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter, as the case may be, will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Transporter may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter. Except as set forth above, neither Shipper nor Transporter shall assign this Service Agreement or any of its rights hereunder without the prior written consent of the other party; provided, however, that neither Shipper nor Transporter shall be released from its obligations hereunder without the consent of the other.

ARTICLE XI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Service Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Service Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Service Agreement; (d) no claims shall be made against the Operator, its officers, employees, and

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 286** Original Sheet No. 286 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

agents, under or in connection with this Service Agreement and the performance of its duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

ARTICLE XII  
INTERPRETATION

12.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of Texas without recourse to the law regarding the conflict of laws which would require the application of the laws of another state.

12.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction.

ARTICLE XIII  
WAIVER

Any waiver by either Shipper or Transporter of performance due to the other under this Service Agreement shall be without prejudice to the right of the waiving party to demand future performance by the other party which is in strict compliance with the terms of this Service Agreement.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 287** Second Revised Sheet No. 287  
Superseding: First Revised Sheet No. 287

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE IT-1

ARTICLE XIV  
THIRD PARTY RIGHTS

This Service Agreement is for the sole and exclusive benefit of Shipper and Transporter. Nothing expressed or implied hereunder is intended to benefit any other Person or entity. No such Person or entity shall have any legal or equitable right, remedy, or claim under any provision of this Service Agreement.

ARTICLE XV  
CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective duly authorized officers, the Day and year first above written.

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(SHIPPER)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Effective Date: 04/05/2010 Status: Effective*

*FERC Docket: RP10-475-000*

**Second Revised Sheet No. 288** Second Revised Sheet No. 288

Superseding: First Revised Sheet No. 288

Reserved for Future Use

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 289** First Revised Sheet No. 289  
Superseding: Original Sheet No. 289

EXHIBIT "A"  
to  
SERVICE AGREEMENT UNDER  
RATE SCHEDULE IT-1  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

POINTS OF RECEIPT

MDTQ	RECEIPT	POINT OF LIMITATIONS
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POINTS OF DELIVERY

MDTQ	DELIVERY	POINT OF LIMITATIONS	MINIMUM PRESSURE, if applicable
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Signed for Identification  
Transporter: \_\_\_\_\_  
Shipper: \_\_\_\_\_  
Supersedes Exhibit "A" Dated \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 289A** First Revised Sheet No. 289A : Effective  
Superseding: Original Sheet No. 289A

EXHIBIT "B-\_"  
to  
SERVICE AGREEMENT UNDER  
RATE SCHEDULE IT-1  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_ ("SHIPPER")

DATED \_\_\_\_\_

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth actually transported)

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 289B** First Revised Sheet No. 289B : Effective  
Superseding: Original Sheet No. 289B

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "B-" Dated: \_\_\_\_\_



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 290** First Revised Sheet No. 290  
Superseding: Original Sheet No. 290

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PREFERRED SHORT-HAUL (PSH)

This Service Agreement is made and entered into this \_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between Nautilus Pipeline Company, L.L.C. (herein called "Transporter") and \_\_\_\_\_ (herein called "Shipper").

W I T N E S S E T H:

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase Preferred Short-Haul transportation service from Transporter;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreement herein contained, Transporter and Shipper do covenant and agree as follows:

ARTICLE I  
DEFINITIONS

The terms used in this Service Agreement shall have the meanings set forth herein and in section 2 of the General Terms and Conditions ("GT&C") of Transporter's Tariff.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Subject to the terms, conditions and limitations hereof, Transporter's Rate Schedule PSH and the GT&C of Transporter's Tariff, transportation service hereunder will be a preferred class of service for both receipts and deliveries, thereby having a higher priority than interruptible service IT-1, but a subordinate priority to service under Rate Schedules FT-1, FT-2 and FT-3. Transporter agrees to receive from Shipper during the term of this Service Agreement for Shipper's account quantities of Natural Gas up to the Maximum Daily Transportation Quantity (MDTQ) specified on Exhibit "A" hereto and to deliver to Shipper Thermally Equivalent Quantities.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 291** First Revised Sheet No. 291  
Superseding: Original Sheet No. 291

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

2.2 Transporter will receive from Shipper or for Shippers' account for transportation hereunder daily quantities of Natural Gas up to Shipper's MDTQ only at the Point of Receipt at the PDF as specified on Exhibit "A" hereto. Transporter will transport and deliver to Shipper or for Shipper's account such daily quantities tendered up to Shipper's MDTQ at Point(s) of Delivery at the PDF as specified on Exhibit "A" hereto. Any limitations on the quantities to be received by Transporter at the Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" hereto. Such Point of Receipt and Point(s) of Delivery shall always be subordinate in priority to receipt and deliveries under Rate Schedules FT-1, FT-2 and FT-3.

2.3 On any given Day, Transporter shall not be obligated to but may, at its sole discretion, receive at the Point of Receipt and deliver at Point(s) of Delivery quantities of Natural Gas in excess of Shipper's MDTQ.

ARTICLE III  
TERM OF AGREEMENT

3.1 This Service Agreement shall commence on \_\_\_\_\_ and shall continue in force and effect until \_\_\_\_\_ and \_\_\_\_\_ to \_\_\_\_\_ thereafter unless this Service Agreement is terminated in accordance with Section 13 of Rate Schedule PSH or by either Transporter or Shipper upon \_\_\_\_\_ prior written notice to the other specifying a termination date.

3.2 The termination of this Service Agreement, or the provision by Shipper of a termination notice to Transporter, pursuant to the above provisions, triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

3.3 Any provisions of this Service Agreement necessary to correct or cash out imbalances or to pay all applicable charges will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 292** Second Revised Sheet No. 292 : Effective  
Superseding: First Revised Sheet No. 292

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE IV  
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 4.1 Shipper agrees to and will pay Transporter all applicable charges and fees provided for in Rate Schedule PSH and the GT&C of Transporter's Tariff, as effective from time to time, for service under this Service Agreement.
- 4.2 All of the GT&C of Transporter's Tariff and Rate Schedule PSH of which this Service Agreement is a part shall be applicable to service hereunder and shall be made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and Rate Schedule PSH or this Service Agreement, the specific provisions of Rate Schedule PSH or this Service Agreement shall control. Unless otherwise specifically provided, as between Rate Schedule PSH and this Service Agreement, in the event of a conflict the specific provision of Rate Schedule PSH shall control except that such Rate Schedule, Service Agreement, and the GT&C of Transporter's Tariff shall be construed in a manner to be consistent unless the context clearly indicates otherwise.
- 4.3 Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (i) the rates and charges applicable to Transporter's Rate Schedule PSH; (ii) the terms and conditions of service for Rate Schedule PSH pursuant to which service hereunder is rendered; and/or (iii) any provision of the GT&C of Transporter's Tariff applicable to service under Rate Schedule PSH. Shipper further agrees that the rates applicable to this Service Agreement shall be subject to discount, adjustment, and change pursuant to Section 27 of the GT&C of Transporter's Tariff. Such discounted rate shall be set forth in Exhibit "B-1". If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "B-2", "B-3", etc.) shall be added to this Service Agreement for each discounted rate. Any Exhibit "B-1" and any additional exhibits (designated sequentially as Exhibit "B-2", "B-3", etc.) are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length. Transporter agrees that Shipper may protest or contest any such filings or may seek authorization from duly constituted regulatory authorities for such adjustments of Transporter's Tariff as may be necessary to ensure that the provisions in (i), (ii), or (iii) above are consistent with regulatory law and policy.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.293** Original Sheet No.293 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE V  
POINT OF RECEIPT AND POINT(S) OF DELIVERY

- 5.1 The Point of Receipt at which Transporter shall receive Natural Gas is limited to the PDF and shall be specified as such in Exhibit "A" of this Service Agreement. The Point(s) of Delivery at which Transporter will deliver Natural Gas are limited to those at the PDF and shall also be specified in Exhibit "A" of this Service Agreement. PSH receipts and deliveries will always have a subordinate priority to Rate Schedules FT-1, FT-2 and FT-3 receipts and deliveries but will be superior in priority to receipts and deliveries specified pursuant to Rate Schedule IT-1.
- 5.2 Exhibit "A" is hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

ARTICLE VI  
QUALITY

All Natural Gas Tendered to Transporter by Shipper or for Shipper's account shall conform to the quality specifications set forth in Section 3 of the GT&C of Transporter's Tariff.

ARTICLE VII  
RESERVATIONS

Transporter shall have the right to take actions as may be required to preserve the integrity of Transporter's Pipeline Facilities, including maintenance of service to firm Shippers.

ARTICLE VIII  
GOVERNMENTAL AUTHORIZATIONS

It is hereby agreed that transportation service under this Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 294** Second Revised Sheet No. 294  
Superseding: First Revised Sheet No. 294

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE IX  
ADDRESSES

Except as otherwise provided herein or as provided in the GT&C of Transporter's Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when received by the party to whom it is set at the applicable address set forth below:

(a) Transporter:  
Nautilus Pipeline Company, L.L.C.  
1100 Louisiana, Suite 3300  
Houston, Texas 77002  
Attention: Contract Administration

(b) Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address, including email addresses if applicable, as either party designates by formal written notice.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.295** Original Sheet No.295 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE X  
ASSIGNMENTS

Any company which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Transporter may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter. Except as set forth above, neither Shipper nor Transporter shall assign this Service Agreement or any of its rights hereunder without the prior written consent of the other party; provided, further, that neither Shipper nor Transporter shall be released from its obligations hereunder without the consent of the other.

ARTICLE XI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Service Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Service Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Service Agreement; (d) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Service Agreement and the performance of its duties as Operator (provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Shipper shall provide the Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

Effective Date: 10/03/1999 Status: Effective  
FERC Docket: RP99-502-000

**Original Sheet No.296** Original Sheet No.296 : Effective

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE XII  
INTERPRETATION

12.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws which would require the application of the laws of another state.

12.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE XIII  
WAIVER

Any waiver by either Shipper or Transporter of performance due to the other under this Service Agreement shall be without prejudice to the right of the waiving party to demand future performance by the other party which is in strict compliance with the terms of this Service Agreement.

ARTICLE XIV  
THIRD PARTY RIGHTS

This Service Agreement is for the sole and exclusive benefit of Shipper and Transporter. Nothing expressed or implied hereunder is intended to benefit any other Person or entity. No such Person or entity shall have any legal or equitable right, remedy, or claim under any provision of this Service Agreement.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 297** Second Revised Sheet No. 297  
Superseding: First Revised Sheet No. 297

FORM OF SERVICE AGREEMENT  
FOR RATE SCHEDULE PSH

ARTICLE XV  
CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers, the Day and year first above written.

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(SHIPPER)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 298** Second Revised Sheet No. 298  
Superseding: First Revised Sheet No. 298

EXHIBIT "A"  
to  
SERVICE AGREEMENT UNDER  
RATE SCHEDULE PSH  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_  
("SHIPPER")

DATED: \_\_\_\_\_

POINT OF RECEIPT

MDTQ POINT OF  
RECEIPT

St. Mary's Parish, LA. -Neptune Plant  
Outlet Meter

POINT(S) OF DELIVERY

Limited to PDF

MDTQ POINT OF  
DELIVERY MINIMUM PRESSURE, if applicable

Signed for Identification

Transporter: \_\_\_\_\_  
Shipper: \_\_\_\_\_  
Supersedes Exhibit "A" Dated: \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 299** First Revised Sheet No. 299 : Effective  
Superseding: Original Sheet No. 299

EXHIBIT "B- \_"  
to  
SERVICE AGREEMENT UNDER  
RATE SCHEDULE PSH  
BETWEEN  
NAUTILUS PIPELINE COMPANY, L.L.C.  
("TRANSPORTER")  
AND

\_\_\_\_\_  
("SHIPPER")

DATED: \_\_\_\_\_

Discount Information

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease  
\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth  
actually transported)

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 300** First Revised Sheet No. 300 : Effective  
Superseding: Original Sheet No. 300

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities during specified periods of  
time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time  
period(s): \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

Transporter: \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "B-" Dated: \_\_\_\_\_

*Effective Date: 06/08/2005 Status: Effective*

*FERC Docket: RP05-371-000*

**Sheet Nos. 301-319** Sheet Nos. 301-319 : Effective

Sheet Nos. 301 - 319 are reserved for future use.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 320** Third Revised Sheet No. 320  
Superseding: Second Revised Sheet No. 320

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

(Date)  
(Attention)  
(Shipper Name)  
(Address)

RE: Interactive Internet Website Agreement ("Agreement")

Dear \_\_\_\_\_:

Nautilus Pipeline Company, L.L.C. ("Transporter") will provide \_\_\_\_\_ ("SHIPPER") with access to and provide information concerning transportation services on Transporter's Pipeline Facilities (as defined in the GT&C of Transporter's Tariff) via the Interactive Internet Website. Transporter hereby agrees to provide authorized representatives of SHIPPER with USER IDs and passwords necessary to access the Interactive Internet Website and in consideration therefore, SHIPPER agrees its use of the Interactive Internet Website shall be subject to the following terms and conditions.

1. Transporter agrees to permit those employees (including officers and directors) specified by SHIPPER to receive USERIDs and passwords for access to the Interactive Internet Website. Any person permitted by SHIPPER to access the Interactive Internet Website must have the legal authority to act on behalf of SHIPPER in performing those functions listed on the Interactive Internet Website's menu for which he/she is authorized, including those functions which are available presently and those functions which shall become available at a later date. In particular, SHIPPER shall designate one or more persons to perform the contracting function and thereby legally bind SHIPPER to any agreement or amended agreement executed by SHIPPER on the Interactive Internet Website. SHIPPER agrees and acknowledges that Transporter shall be entitled to rely on SHIPPER's representation that all persons authorized to perform a contracting function through the Interactive Internet Website have been duly authorized by SHIPPER to enter into one or more agreements or amended agreements on its behalf.

Effective Date: 06/01/2000 Status: Effective  
FERC Docket: RP00-270-000

**Second Revised Sheet No. 321** Second Revised Sheet No. 321 : Effective  
Superseding: First Revised Sheet No. 321

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

2. Transporter agrees that in addition to appropriately authorized employees, (including officers and directors), SHIPPER may access the Interactive Internet Website through an agent or representative, (hereinafter referred to as Agent") as long as such Agent is appointed in writing through the agency agreement attached hereto as Exhibit A (Agency Agreement), which specifically gives the Agent the legal authority to act on behalf of SHIPPER in performing any or all functions listed on the Interactive Internet Website menu, including those functions which are available presently and those functions which shall become available at a later date. SHIPPER agrees to provide Transporter's Transportation Services Department with an executed original of the Agency Agreement. Transporter agrees that SHIPPER may cancel the Agency Agreement by notifying Transporter pursuant to the procedures set out in paragraph 6 of this Agreement. Transporter agrees further that SHIPPER may appoint a successor Agent by providing Transporter with an executed original of such successor's Agency Agreement. Transporter shall not be required, however, to give effect to any Agency Agreement until Transporter has actually received an executed original of such Agency Agreement in writing or through the Interactive Internet Website if the Agency Agreement has been executed on the Interactive Internet Website.
3. Prior to being issued USERIDs and passwords, each of SHIPPER's employees and Agents (collectively hereinafter referred to as "authorized persons") must return to Transporter a completed Interactive Internet Website Access Request Form in the form attached hereto as Exhibit B. SHIPPER agrees to promptly provide Transporter with any material change to the information provided thereon, including, but not limited to the designation of an Agent.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 322** Third Revised Sheet No. 322  
Superseding: Substitute Second Revised Sheet No. 322

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

4. SHIPPER's combined USERIDs and passwords are confidential and are used to identify SHIPPER. SHIPPER agrees that only authorized persons of SHIPPER will be given SHIPPER's USERIDs and passwords and only authorized persons will be permitted to access the Interactive Internet Website on SHIPPER's behalf. SHIPPER agrees to keep confidential all USERIDs and passwords issued by Transporter to SHIPPER for use on the Interactive Internet Website. SHIPPER further agrees that SHIPPER and its authorized persons will not disclose its USERIDs and passwords, either separately or combined, to anyone without authority to access the Interactive Internet Website for SHIPPER. Any use of the Interactive Internet Website by any person authorized or not, using any of SHIPPER's USERIDs and/or passwords shall be deemed to be use by SHIPPER and SHIPPER agrees to be responsible for and to accept liability for any such use.

5. Certain information contained in the Interactive Internet Website is proprietary and confidential. SHIPPER agrees not to disclose or otherwise make available confidential information to any other company, corporation or third party, whether such information is accessed in an authorized or unauthorized manner. This provision does not apply to any public information maintained by Transporter on the Internet Web Site, as such information is available to all parties.

6. SHIPPER agrees to notify Transporter if there is any indication that a security breach has occurred with regard to SHIPPER's USERIDs and passwords. This includes, but is not limited to (i) loss of confidentiality of USERIDs and passwords; (ii) termination of employment of any authorized person; or (iii) loss of authority to access the Interactive Internet Website by any authorized person. Such notification shall be made to Transporter's Transportation Services Department immediately by telephone and shall be followed by written notification within five (5) Business Days.

Effective Date: 06/01/2000 Status: Effective  
FERC Docket: RP00-270-001

**Sub Second Revised Sheet No. 323** Sub Second Revised Sheet No. 323 : Effective  
Superseding: First Revised Sheet No. 323

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

7. SHIPPER agrees to attempt to access only that data for which SHIPPER has authorization. All access attempts, whether successful or unsuccessful, are recorded.
  
8. Transporter shall operate its Interactive Internet Website in a prudent manner. Except for the negligence, fraud, or willful misconduct of Transporter, Transporter expressly disclaims liability for loss or damage resulting from SHIPPER's actions or breach of this Agreement, events of force majeure, any defects in computer software, hardware, or programming, or any interruption in or malfunction of electronic communication or transmission. SHIPPER agrees to defend, indemnify and hold harmless Transporter, its affiliates and members and their respective officers, directors, employees and agents, from and against all claims, demands, damages, losses, costs and expenses (including court costs and reasonable attorney's fees) and liabilities of any nature whatsoever (collectively referred to herein as "Liabilities") arising out of any breach of this Agreement by SHIPPER or its authorized persons, or the use of the Interactive Internet Website or the information contained therein by SHIPPER, or its authorized persons, to the extent such Liabilities are not the direct result of the negligence, fraud, or willful misconduct of Transporter. The parties hereto agree that neither party shall be liable to the other party, or its corporate parent, subsidiaries or affiliates or members for any special, punitive, exemplary, indirect or consequential damages (including, without limitation, loss of profits or business interruptions) incurred by said party arising out of or in any manner related to this Agreement, the provision and use of the Interactive Internet Website, or the information contained therein.



Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 324** Third Revised Sheet No. 324  
Superseding: Substitute Second Revised Sheet No. 324

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

9. SHIPPER understands and agrees that Transporter may act, and shall be fully protected in acting, in reliance upon any acts or things done or performed by persons utilizing SHIPPER's USERIDs and passwords on behalf of SHIPPER (so long as Transporter is not aware of a security breach), and that Transporter shall be held harmless from any omission or failure by SHIPPER to act or perform any duty required by a function accessed through the Interactive Internet Website.

10. A USERID that is inactive for ninety (90) Days shall be automatically suspended. If SHIPPER's USERID is suspended as set forth herein, SHIPPER may contact Transporter's Transportation Services Department to have its USERID reinstated.

11. Transporter reserves the right to invalidate SHIPPER's USERIDs and passwords at any time in the event SHIPPER breaches any of the terms of this Agreement and such breach, in Transporter's sole judgment, threatens the security or integrity of the system and SHIPPER fails to cure the breach within twenty four (24) hours of notification from Transporter. If Transporter terminates the Interactive Internet Website pursuant to the following paragraph, Transporter shall invalidate SHIPPER's USERIDs and passwords effective on the date of the termination of the Interactive Internet Website.

12. Transporter reserves the right to modify or terminate the Interactive Internet Website at any time so long as such modification or termination is not prohibited by the regulations of the Federal Energy Regulatory Commission.

13. Subject to the provisions of Paragraph 12 herein, this Agreement shall be in effect as of the date written below and shall continue unless and until canceled by either party on ten (10) Days' written notice given to the other party prior to the end of any calendar Month to be effective at the end of such Month.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Fourth Revised Sheet No. 325** Fourth Revised Sheet No. 325  
Superseding: Third Revised Sheet No. 325

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

14. To the extent SHIPPER utilizes the Internet Web Site to transmit and receive dispatching notices under the GT&C of Transporter's Tariff of Transporter, then provisions of the GT&C shall be deemed to be satisfied and notice on the Internet Web Site shall constitute valid notice between the parties.

15. THE PROVISIONS OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.

16. SHIPPER acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) SHIPPER shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) SHIPPER shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members of Transporter.

17. Unless specifically provided in this Agreement, any written notice or other communication shall be deemed given when received by the party entitled to notice, except that if received after 5:00 p.m. central time on any Day, such notice shall be deemed given on the next Business Day. Notices shall be directed as follows:

(a) if to SHIPPER, to:

Attn: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

(b) if to Transporter, to:

Nautilus Pipeline Company, L.L.C.

Attn: \_\_\_\_\_

1100 Louisiana, Suite 3300

Houston, Texas 77002

Telephone: (\_\_\_\_) \_\_\_\_-\_\_\_\_

Telecopy: (832) 214-5791

In like manner either party may change the address to which notices to it should be directed.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 325A** First Revised Sheet No. 325A  
Superseding: Original Sheet No. 325A

FORM OF INTERACTIVE INTERNET WEBSITE AGREEMENT

Please indicate your agreement with the above by signing below and returning one completely executed copy to Transporter.

Yours very truly,

NAUTILUS PIPELINE COMPANY, L.L.C.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and Agreed to this \_\_\_\_\_ Day of \_\_\_\_\_.

(SHIPPER)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 326** Third Revised Sheet No. 326  
Superseding: Second Revised Sheet No. 326

EXHIBIT "A"

AGENCY AGREEMENT

Nautilus Pipeline Company, L.L.C. (Transporter) and \_\_\_\_\_  
(hereinafter SHIPPER) are parties to a letter agreement dated \_\_\_\_\_  
\_\_\_\_\_ (hereinafter Interactive Internet Website Agreement) which  
sets forth the terms and conditions for SHIPPER's use of Transporter's  
Interactive Internet Website to receive and transmit transportation service  
information on Transporter's Pipeline Facilities (as defined in the GT&C of  
Transporter's Tariff). This agency agreement (Agency Agreement) shall  
constitute an agreement pursuant to which SHIPPER appoints an agent and  
representative under the Interactive Internet Website Agreement for the  
purposes set forth below.

Accordingly, SHIPPER hereby appoints  
\_\_\_\_\_ (hereinafter Agent) as its agent and representative  
to act on behalf of SHIPPER in performing the menu functions indicated by the  
SHIPPER on the Interactive Internet Website Access Request Form, including  
those functions which are presently available and those functions which shall  
become available at a later date. Agent agrees to be bound by the terms and  
conditions set forth in the Interactive Internet Website Agreement.

It is understood and agreed that Transporter may act, and shall be fully  
protected when acting, in reliance on any acts or things done or performed by  
Agent on behalf of SHIPPER and with respect to all matters for which authority  
is granted herein until Transporter receives notice that this Agency Agreement  
has been canceled by either party hereto. SHIPPER shall hold Transporter  
harmless from any omission or failure by Agent to act or perform any of the  
duties herein authorized.

Please indicate agreement with the above by signing below. This Agency  
Agreement shall be effective as of the last date written below.

SHIPPER:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

AGENT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 326A** Third Revised Sheet No. 326A  
Superseding: Second Revised Sheet No. 326A

EXHIBIT "B"  
INTERACTIVE INTERNET WEBSITE ACCESS REQUEST FORM

SHIPPER (Complete Legal Name) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

DUNS No.: \_\_\_\_\_ Federal Tax ID No.: \_\_\_\_\_

Authorized Employee's/Agent's Full Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

Authorized Employee's/Agent's Employer: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Indicate Update Capabilities for this Authorized Employee/Agent:  
\_\_\_\_ Execute Contracts, Amendments and Accept Discounts  
\_\_\_\_ Make Imbalance Elections/Trades  
\_\_\_\_ Request New Service, Amendments and Discounts  
\_\_\_\_ Receive and administer the payment of any and all invoices  
\_\_\_\_ Submit Capacity Release Offers, Bids, Recall and Reput  
\_\_\_\_ Submit Confirmations, PDAs, Storage Transfers  
\_\_\_\_ Submit Nominations and Storage Transfers  
\_\_\_\_ View only access to Interactive Internet Website screens, email,  
web page and reports for SHIPPER will be available to SHIPPER'S  
authorized employees

Signed by SHIPPER'S Authorized Employee/Agent: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Shipper: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

FOR INTERNAL USE ONLY  
Nautilus Pipeline Company, L.L.C.

USER ID: \_\_\_\_\_ Shipper# (if no DUNS): \_\_\_\_\_

Security approved by: \_\_\_\_\_ Date: \_\_\_\_\_

PLEASE FAX COMPLETED FORM TO (832) 214-5791

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Sixth Revised Sheet No. 327** Sixth Revised Sheet No. 327  
Superseding: Fourth Revised Sheet No. 327

SERVICE REQUEST FORM

Requests for service under Nautilus' FERC Gas Tariff shall be deemed valid only after the following information is provided by Shipper in writing to Nautilus' Transportation Services, at 1100 Louisiana, Suite 3300, Houston, Texas 77002, via email or to Fax Number (832) 214-5791. Acceptance of a request is contingent upon a satisfactory credit appraisal by Nautilus in accordance with Section 10 of the "General Terms and Conditions" of its FERC Gas Tariff.

Date of Request: \_\_\_\_\_

I. Shipper (Full Legal Name): \_\_\_\_\_

Shipper Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email address: \_\_\_\_\_

Contact Name/Department: \_\_\_\_\_

Shipper's Federal Tax ID # \_\_\_\_\_

Shipper's DUNS # \_\_\_\_\_

State of Incorporation: \_\_\_\_\_

Type of Service (circle one) FT-1 FT-2 FT-3 IT-1 PSH  
(Other type of Service) \_\_\_\_\_

Modifying Existing Service?: \_\_\_Y\_\_\_ N

II. Production Platform (Block No.): \_\_\_\_\_

III. Transportation Rate Requested: \_\_\_\_\_

IV. Maximum Daily Quantity (MDQ) Requested: \_\_\_\_\_ Dth

Dates of Service: Commencing \_\_\_\_\_ Ending \_\_\_\_\_

V. Receipt Point(s): All or specify \_\_\_\_\_

Delivery Point(s): All or specify \_\_\_\_\_

VI. Liquids Transportation Agreement required? (please check):

Y \_\_\_ (Block No. \_\_\_\_\_) N \_\_\_

VII. Nautilus Onshore Separation Agreement required? (please check):

Y \_\_\_ N \_\_\_

VIII. Agent ( ) or Marketer ( ):

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email address: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 328** Third Revised Sheet No. 328  
Superseding: First Revised Sheet No. 328

SERVICE REQUEST FORM

If Agent, is Agent responsible for: Accounting, Invoices Y \_\_\_ N \_\_\_  
Nominations, Scheduling Y \_\_\_ N \_\_\_

Representatives of Shipper (up to two) who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information:

Name	Email Address
------	---------------

_____	_____
_____	_____

IX. The following credit evaluation information is submitted herewith:

(a) Current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status;

(b) A list of all corporate affiliates, parent companies and subsidiaries;

(c) Bank references;

(d) Two trade references;

(e) A verified statement that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws; and

(f) A verified statement that Shipper is not aware of any change in business conditions that would cause a substantial alteration in its financial conditions, a condition of insolvency, or the inability to exist as an ongoing business entity, and that no significant collection lawsuits or judgments are outstanding which would materially affect Shipper's ability to remain solvent as a business entity.

Prepayment Required

Shipper must submit a prepayment in the amount of \$25,000 for any firm service.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 329** Third Revised Sheet No. 329  
Superseding: First Revised Sheet No. 329

SERVICE REQUEST FORM

Shipper understands that Transporter is an interstate pipeline company subject to the regulations of the Federal Energy Regulatory Commission, and that Shipper's request will become part of a log available for public inspection. Shipper agrees to pay Transporter's currently effective maximum transportation rate applicable to this service unless the Service Agreement specifies a different rate, in which event such different rate shall control in accordance with its terms. In the case of firm transportation requiring the construction of additional facilities, unless otherwise agreed between Shipper and Transporter, Shipper agrees to pay rates as approved by the Commission designed, inter alia, to reimburse Transporter for the cost of construction of such additional facilities. Shipper also understands that it must reimburse Transporter for the Commission's filing fee upon receipt of an invoice therefore. Shipper, by its signature, represents to Transporter that the information set forth in this transportation request is correct and accurate and that all necessary transportation arrangements with the upstream and downstream transporters or gatherers, as stated herein, have been or will be secured prior to the commencement of the requested transportation

X. Requested by: \_\_\_\_\_ (signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email Address: \_\_\_\_\_



*Effective Date: 12/01/2005 Status: Effective*

*FERC Docket: RP06-71-000*

**Third Revised Sheet No. 330** Third Revised Sheet No. 330 : Effective  
Superseding: Second Revised Sheet No. 330

This sheet reserved for Future Use.

*Effective Date: 12/01/2005 Status: Effective*

*FERC Docket: RP06-71-000*

**Third Revised Sheet No. 331** Third Revised Sheet No. 331 : Effective  
Superseding: Second Revised Sheet No. 331

This sheet reserved for Future Use.

*Effective Date: 12/01/2005 Status: Effective*

*FERC Docket: RP06-71-000*

**First Revised Sheet No. 332** First Revised Sheet No. 332 : Effective  
Superseding: Original Sheet No.332

This sheet reserved for Future Use.

*Effective Date: 12/01/2005 Status: Effective*

*FERC Docket: RP06-71-000*

**First Revised Sheet No. 333** First Revised Sheet No. 333 : Effective  
Superseding: Original Sheet No.333

This sheet reserved for Future Use.

*Effective Date: 12/01/2005 Status: Effective*

*FERC Docket: RP06-71-000*

**First Revised Sheet No. 334** First Revised Sheet No. 334 : Effective  
Superseding: Original Sheet No.334

This Sheet reserved for Future Use.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 335** First Revised Sheet No. 335  
Superseding: Original Sheet No. 335

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

THIS AGREEMENT (Temporary Capacity Release Service Agreement) is made and entered into as of the \_\_\_\_\_ Day of \_\_\_\_\_, \_\_\_\_\_, by and between NAUTILUS PIPELINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Replacement Shipper". Transporter and Acquiring Shipper shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Transporter provides firm transportation services to Shippers under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and Transporter's Rate Schedules FT-1, FT-2 or FT-3 of its FERC Gas Tariff; and

WHEREAS, Shippers have the right to offer their firm transportation capacity under Rate Schedules FT-1, FT-2 or FT-3 for release to other parties on a temporary basis pursuant to Section 22 of the General Terms and Conditions of Transporter's FERC Gas Tariff; and

WHEREAS, Replacement Shipper will be bidding on offers of released transportation capacity, and to the extent Replacement Shipper is successful in its bid(s), Transporter is willing to provide firm transportation service to Replacement Shipper pursuant to the provisions of Rate Schedule FT-1, Subpart G of Part 284 of the Commission's Regulations and this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 336** Original Sheet No. 336 : Effective

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 10.4 of the General Terms and Conditions are met in order for Replacement Shipper to be pre-qualified for capacity releases and this Agreement is effective, Replacement Shipper may bid from time to time on proposed temporary capacity releases under Rate Schedules FT-1, FT-2 or FT-3 pursuant to the procedures set forth in Section 22 of Transporter's General Terms and Conditions. If at any time a bid submitted by Replacement Shipper is deemed to be the best bid by Transporter with respect to a given offer to release firm transportation capacity on a temporary basis, Transporter will promptly finalize the appropriate Addendum to this Agreement, in the format attached hereto. Upon finalization of such Addendum, Replacement Shipper and Transporter agree that Replacement Shipper shall be considered for all purposes as a Shipper with respect to the released service.
  
- 1.2 Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedules FT-1, FT-2 or FT-3, Transporter agrees to provide the released firm transportation service for Replacement Shipper under Rate Schedule FT-1, the General Terms and Conditions incorporated therein and this Agreement.

*Effective Date: 04/05/2010 Status: Effective*  
*FERC Docket: RP10-475-000*

**First Revised Sheet No. 337** First Revised Sheet No. 337  
Superseding: Original Sheet No. 337

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

1.3 Replacement Shipper hereby agrees to promptly provide any information necessary for Transporter to reevaluate Replacement Shipper's credit appraisal under Section 10.4 of the General Terms and Conditions and to advise Transporter of any material change in the information previously provided by the Replacement Shipper to Transporter.

1.4 Subject to the terms and provisions of this Agreement, Rate Schedule FT-1 and the General Terms and Conditions incorporated therein, Replacement Shipper agrees to deliver, or cause to be delivered, to Transporter at the Primary Receipt Point(s) described in the Addendum and Exhibit "A" to this Agreement, and Transporter agrees to accept at such Point(s) for transportation under this Agreement, a quantity of gas on any Day on a firm basis limited to the MDTQ(s) at the Receipt Point(s) set out on the Addendum and Exhibit "A" in effect on that Day.

1.5 Subject to the terms and provisions of this Agreement, Rate Schedule FT-1 and the General Terms and Conditions incorporated therein, Transporter shall deliver an equivalent quantity of gas, as set forth in Rate Schedule FT-1, to Replacement Shipper at the Delivery Point(s) described in the Addendum and Exhibit "A" to this Agreement. Transporter's obligation to redeliver gas on a firm basis at any Delivery Point on a given Day is limited to the Delivery Point(s) and MDTQ(s) set out on the Addendum and Exhibit "A" in effect on that Day.



*Effective Date: 04/05/2010 Status: Effective*  
*FERC Docket: RP10-475-000*

**First Revised Sheet No. 338** First Revised Sheet No. 338  
Superseding: Original Sheet No. 338

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

ARTICLE II  
CONDITIONS OF SERVICE

2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with, and subject to the terms of the Addendum attached hereto, the provisions of Transporter's Rate Schedule FT-1 and the General Terms and Conditions incorporated therein, which are contained in Transporter's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in Rate Schedule FT-1 and the General Terms and Conditions incorporated therein.

2.2 Transporter shall have the right to discontinue service under this Agreement in accordance with Section 8 of the General Terms and Conditions incorporated herein.

2.3 The Parties agree that neither party shall be liable to the other party for loss of profits or business interruptions arising out of or in any manner related to this Agreement.

2.4 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations and to Transporter's FERC Gas Tariff. Upon termination of this Agreement, Transporter and Replacement Shipper shall be relieved of further obligation to the other party except to complete the transportation of gas underway on the Day of termination, to comply with the provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations, (including indemnities) accruing prior to the date of termination.

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Third Revised Sheet No. 339** Third Revised Sheet No. 339  
Superseding: Second Revised Sheet No. 339

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

ARTICLE III  
NOTICES

Notices hereunder shall be given pursuant to the General Terms and Conditions of Transporter's FERC Gas Tariff to the respective Party at the applicable address, telephone number or facsimile machine numbers as the Parties shall respectively hereafter designate in writing from time to time:

TRANSPORTER: Nautilus Pipeline Company, LLC  
1100 Louisiana, Suite 3300  
HOUSTON, TEXAS 77002  
Attention: Contract Administration  
Telephone No. \_\_\_\_\_  
Facsimile No. 832/214-5791

REPLACEMENT SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTENTION: \_\_\_\_\_  
Telephone No.  
Facsimile No.

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 340** Second Revised Sheet No. 340 : Effective  
Superseding: First Revised Sheet No. 340

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTENTION: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Replacement Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Replacement Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Replacement Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE IV  
TERM

Subject to the provisions hereof, this Agreement shall become effective \_\_\_\_\_, 20\_\_ and shall be in force and effect until \_\_\_\_\_, 20\_\_.

ARTICLE V  
BILLINGS AND PAYMENTS

5.1 Replacement Shipper shall pay Transporter monthly for the transportation services rendered hereunder the Reservation Charge specified in the Addendum attached hereto and all other charges and penalties as specified or assessed under Rate Schedule FT-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff incorporated therein. In the event Transporter agrees from time to time to collect a rate lower than the maximum rate set forth in the Tariff for the transportation service rendered hereunder, such a discounted rate shall be set forth in Exhibit B-1 to the Addendum. If Shipper subsequently requests and receives a discounted rate for additional quantities of Natural Gas or production reserves, an additional exhibit (designated sequentially as Exhibit "B-2", "B-3", etc.) shall be added to this Service Agreement for each discounted rate.

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 341** Original Sheet No. 341 : Effective

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

- 5.2 Replacement Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1, (b) the terms and conditions of service for Rate Schedule FT-1 pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Replacement Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VI  
NONRECOURSE OBLIGATION OF  
LIMITED LIABILITY COMPANY,  
MEMBERS AND OPERATOR

Replacement Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Replacement Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) no claims shall be made against the Operator, its officers, employees, and agents, under or in connections with this Agreement and the performance of its duties as Operator

Effective Date: 12/01/1997 Status: Effective  
FERC Docket: CP96-790-003

**Original Sheet No. 342** Original Sheet No. 342 : Effective

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

(provided that this provision shall not bar claims resulting from the gross negligence or willful misconduct of the Operator) and Replacement Shipper shall provide the Operator with a waiver of subrogation of Replacement Shipper's insurance company for all such claims; and (e) this representation is made expressly for the benefit of the members in Transporter and the Operator.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire Agreement between the Parties and no waiver by either Party of any default under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.
- 7.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 7.3 Except for the Addenda generated by Replacement Shipper's successful bids for released capacity, no modification or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the Parties.
- 7.4 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Section 22 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**Second Revised Sheet No. 343** Second Revised Sheet No. 343 : Effective  
Superseding: First Revised Sheet No. 343

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

- 7.5 Any person which shall succeed by purchase, merger, or consolidation to the assets, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.
- 7.6 Each Addendum, Exhibit "A", Exhibit "B-1" and any additional exhibits (designated sequentially as Exhibit "B-2", "B-3", etc.) attached to this Agreement constitute part of this Agreement and are incorporated herein.
- 7.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein.
- 7.8 Acquiring Shipper grants to Transporter its permission and approval to notify the Releasing Shipper, as defined in Section 2 (aj) of the Tariff's General Terms and Conditions, (even when such Releasing Shipper is an Energy Affiliate of the Transporter) of certain credit-related issues pursuant to the General Terms and Conditions under Section 22.8 of the Transporter's Tariff.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by the Parties' respective duly authorized officers.

NAUTILUS PIPELINE COMPANY, L.L.C.

BY: \_\_\_\_\_

(REPLACEMENT SHIPPER)

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**First Revised Sheet No. 344** First Revised Sheet No. 344  
Superseding: Original Sheet No. 344

FORM OF SERVICE AGREEMENT  
FOR TEMPORARY RELEASES OF  
FIRM TRANSPORTATION CAPACITY

Offer No.: \_\_\_\_\_  
Addendum No.: \_\_\_\_\_  
Temporary Capacity Release Service  
Agreement No.: \_\_\_\_\_

Addendum No. \_\_\_\_\_  
Capacity Release  
Rate Schedule FT-\_\_\_\_

Replacement Shipper: \_\_\_\_\_

Releasing Shipper: \_\_\_\_\_

Releasing Shipper's Contract No.: \_\_\_\_\_

Effective Date of Release: \_\_\_\_\_ through \_\_\_\_\_

Is this capacity subject to right of recall? Yes \_\_\_\_\_ No \_\_\_\_\_  
Recall Conditions (if applicable):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rates: Check all that apply:

Monthly reservation charge \_\_\_\_\_  
Volumetric reservation charge \_\_\_\_\_  
Volume commitment \_\_\_\_\_  
Reservation charge prorated for Days of recall \_\_\_\_\_

Reservation Charge (inclusive of reservation surcharge) \$ \_\_\_\_\_

Maximum Daily Transportation Quantity (MDTQ) \_\_\_\_\_ (Mcf)

Effective Date: 04/05/2010 Status: Effective  
FERC Docket: RP10-475-000

**Second Revised Sheet No. 345** Second Revised Sheet No. 345  
Superseding: First Revised Sheet No. 345

EXHIBIT "A" TO ADDENDUM

Primary Receipt Points	Maximum Daily Receipt Quantity(MDRQ), MCF/D
_____	_____
_____	_____
_____	_____

Primary Delivery Points	Maximum Daily Delivery Quantity(MDDQ), MCF/D	Minimum Delivery Point Pressure, if applicable
_____	_____	_____
_____	_____	_____
_____	_____	_____

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



Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 345A** First Revised Sheet No. 345A : Effective  
Superseding: Original Sheet No. 345A

EXHIBIT "B-" TO ADDENDUM

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective: From: \_\_\_\_\_  
To: \_\_\_\_\_

\_\_\_ Life of Reserves/Lease

\_\_\_ Evergreen: \_\_\_ Year-to-Year  
\_\_\_ Month-to-Month

Condition for Discounted Transportation Rate (check applicable condition(s)):

\_\_\_ Discounted Transportation Rate applicable to specified quantities under Shipper's Service Agreement(s):  
\_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable to specified quantities above or below a certain level or all quantities if quantities exceed a certain level:

Discounted Transportation Rate applicable to \_\_\_\_\_ Dth above/below \_\_\_\_\_ Dth  
or  
Discounted Transportation Rate applicable to all quantities above \_\_\_\_\_ Dth

\_\_\_ Discounted Transportation Rate applicable in a specified relationship to quantities actually transported:

Adjustment in Transportation  
Rate: \_\_\_\_\_ (based on \_\_\_\_\_ Dth actually transported)

\_\_\_ Discounted Transportation Rate applicable to specified quantities during specified periods of time or during specified periods of the year:

\_\_\_\_\_ Dth for the following time period(s): \_\_\_\_\_

Effective Date: 03/22/2006 Status: Effective  
FERC Docket: RP06-229-000

**First Revised Sheet No. 345B** First Revised Sheet No. 345B : Effective  
Superseding: Original Sheet No. 345B

EXHIBIT "B-" TO ADDENDUM (con't)

\_\_\_\_\_ Discounted Transportation Rate applicable to  
specified quantities at specific Point(s) of  
Receipt or Point(s) of Delivery:

Point(s) of Receipt: \_\_\_\_\_  
Point(s) of Delivery: \_\_\_\_\_

\_\_\_\_\_ Discounted Transportation Rate applicable to production  
reserves committed or dedicated by Shipper:

Production Reserves: \_\_\_\_\_ [Field or  
Block]

\_\_\_\_\_ Discounted Transportation Rate based on published  
index prices for specific Point(s) of Receipt  
and/or Point(s) of Delivery or other agreed-upon  
published pricing reference points (based upon the  
differential between published prices or arrived  
at by formula):

Index Price(s): \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Differential between Index Prices  
or  
\_\_\_\_\_ Formula: \_\_\_\_\_

In no event shall the discounted rate established as set forth  
above exceed the otherwise applicable maximum lawful rate.

Signed for Identification

"Transporter": \_\_\_\_\_

Shipper: \_\_\_\_\_

Supersedes Exhibit "B-" Dated: \_\_\_\_\_

Effective Date: 04/05/2010 Status: Effective

FERC Docket: RP10-475-000

**Third Revised Sheet No. 346** Third Revised Sheet No. 346

Superseding: Second Revised Sheet No. 346

SHIPPER NOMINATION FORM

Shipper Name: \_\_\_\_\_  
 Master Contract No.: \_\_\_\_\_  
 Service Contract No.: \_\_\_\_\_  
 Type of Service: \_\_\_\_\_  
 Effective Date: \_\_\_\_\_  
 End Date: \_\_\_\_\_  
 Shipper Contact: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Phone No.: \_\_\_\_\_  
 Fax No.: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

Nautilus Pipeline Company, LLC  
 Transportation Services  
 1100 Louisiana, Suite 3300  
 Houston, Texas 77002  
 Telephone \_\_\_\_\_  
 Fax (832) 214-5791

Recpt Dwnstm Contr.	Point Meter Rank	Code	Intr. Owner Make-up	Suppl. Volume Dth	Recpt Dth	Upstm Contract	Del. Meter	Del. Dth
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____

Effective Date: 05/22/2005 Status: Effective  
FERC Docket: RP05-287-000

**First Revised Sheet No. 347** First Revised Sheet No. 347 : Effective  
Superseding: Original Sheet No. 347

Form of  
Confirmation of Agreement to Trade Imbalances on  
Nautilus Pipeline Company, LLC

Confirming Shipper Name: \_\_\_\_\_  
\_\_\_\_\_  
Contact Name: \_\_\_\_\_  
\_\_\_\_\_  
Contact Phone Number: \_\_\_\_\_  
\_\_\_\_\_  
Contact Fax Number: \_\_\_\_\_  
\_\_\_\_\_  
Trading Partner Company  
Name: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
\_\_\_\_\_  
Contact Phone Number: \_\_\_\_\_  
\_\_\_\_\_  
Contact Fax Number: \_\_\_\_\_  
\_\_\_\_\_  
Volume Traded (MMBTU): \_\_\_\_\_  
\_\_\_\_\_

I hereby certify as shipper confirming and agreeing to this trade, that I have taken all steps necessary to effect the trade with the other party. I also indemnify and hold Nautilus Pipeline Company, LLC harmless from and against any claims that either shipper may have against the other arising out of or as a result of the trade.

Company Name: \_\_\_\_\_  
\_\_\_\_\_

Authorized By: \_\_\_\_\_  
\_\_\_\_\_

Please complete and return to:  
Nautilus Pipeline Company,  
LLC  
1100 Louisiana, Suite 3300  
Houston, TX 77002

Or fax to:  
Nautilus Pipeline Company,  
LLC  
Attn: Transportation Services  
(832) 214-5716

Should you have any questions, please contact  
Transportation Services at 1-800-428-3676.

