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. Title Page

Caprock Pipeline Company: First Revised Volume No. 1
. : Effective

FERC GAS TARIFF
FIRST REVISED VOLUME NO. 1
SUPERCEDING
REVISED ORIGINAL VOLUME NO. 3

CAPROCK PIPELINE COMPANY
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
Should be Addressed To:

THOMAS W. POUNDS
CAPROCK PIPELINE COMPANY
333 CLAY STREET
SUITE 2000
HOUSTON, TEXAS 77002
(713) 739-2900

Effective Date: 09/01/1999 Status: Effective
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PRELIMINARY STATEMENT

Caprock Pipeline Company ("Caprock"), a wholly-owned subsidiary of American Pipeline Company, is organized under the laws of the State of Delaware, and has its principle offices located at 333 Clay Street, Suite 2000, Houston, Texas 77002. Caprock gathers natural gas within the State of Texas. Service provided by Caprock under this tariff is pursuant to the following rates, terms and conditions.

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MAP OF JURISDICTIONAL FACILITIES

CAPROCK PIPELINE COMPANY

No scale

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Sixth Revised Sheet No. 4 Sixth Revised Sheet No. 4 : Superseded
Superseding: Fifth Revised Sheet No. 4

RATE SCHEDULE FS
FIRM SERVICE
CURRENTLY EFFECTIVE RATES

Each rate shown on this Tariff Sheet is the currently effective rate pertaining to the particular Rate Schedule and service to which it is referenced. Each such rate is separate and independent and a change in any such rate shall not thereby effect a change in any other Rate Schedule. Each rate is a system-wide rate for each segment of Caprock's system and applies to any jurisdictional transportation undertaken on any segment of Caprock's jurisdictional system.

JURISDICTIONAL SERVICE

	Maximum	Minimum
Usage Rate (per MMBtu)	\$0.01026	\$0.01026
Reservation Charge (per MMBtu)	\$0.47540	\$0.00000

Availability: The above rates are system-wide rates and are available to any customer qualified to receive firm transportation service under Part 284 of the regulations of the Federal Energy Regulatory Commission ("FERC"), 18 C.F.R. Part 284, and which: (1) has executed a Transportation Service Agreement with Caprock applying to service under this Rate Schedule, and (2) will deliver and take redelivery of natural gas at some point on the Caprock System into which the gas was delivered.

Applicability and Character of Service: This Rate Schedule will apply to all gas transported by Caprock under this Rate Schedule on a firm basis. Daily nominations of deliveries under this Rate Schedule shall be considered firm and will not be subject to curtailment or interruption except as otherwise provided in the General Terms and Conditions of Caprock's FERC Gas Tariff. Nominations and scheduling as to service under this Rate Schedule shall be governed by the General Terms and Conditions of Caprock's FERC Gas Tariff.

Shippers shall pay an ACA adjustment of \$0.0022 per MMBtu, in addition to the specified commodity rate for the transportation service as specified in the General Terms and Conditions.

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RATE SCHEDULE IS
INTERRUPTIBLE SERVICE CURRENTLY EFFECTIVE RATES

Each rate shown on this Tariff Sheet is the currently effective rate pertaining to the particular Rate Schedule and service to which it is referenced. Each such rate is separate and independent and a change in any such rate shall not thereby effect a change in any other Rate Schedule. Each rate is a system-wide rate for each segment of Caprock's system and applies to any jurisdictional transportation undertaken on any segment of Caprock's jurisdictional system.

JURISDICTIONAL SERVICE

	Maximum	Minimum
Per MMBtu	\$0.02602	\$0.01026

Availability: The above rates are system-wide rates and are available to any customer qualified to receive interruptible transportation service under Part 284 of the regulations of the Federal Energy Regulatory Commission ("FERC"), 18 C.F.R. Part 284, and which: (1) has executed a Transportation Service Agreement with Caprock applying to service under this Rate Schedule, and (2) will deliver and take redelivery of natural gas at some point on the Caprock System into which the gas was delivered.

Applicability and Character of Service: This Rate Schedule will apply to all gas transported by Caprock under this Rate Schedule on an interruptible basis. Daily nominations of deliveries under this Rate Schedule shall be considered interruptible and will be subordinate to all firm service provided by Caprock and will be subject to curtailment or interruption as provided in the General Terms and Conditions of Caprock's FERC Gas Tariff. Nominations and scheduling as to service under this Rate Schedule shall be governed by the General Terms and Conditions of Caprock's FERC Gas Tariff.

Shippers shall pay an ACA adjustment of \$0.0022 per MMBtu, in addition to the specified commodity rate for the transportation service as specified in the General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

ARTICLE I

DEFINITIONS

Unless the context of the Agreement requires otherwise, the following definitions shall be applicable:

1.1 The term "Agreement" shall include these General Terms and Conditions and any executed transportation agreement.

1.2 The term "gas" shall mean pipeline quality natural gas and shall include casinghead gas produced with crude oil, gas well gas produced from gas wells and residue gas resulting from processing both casinghead gas and gas well gas.

1.3 A "day" shall mean that period of time beginning at nine (9) a.m. (CT) on each calendar day and ending at nine (9) a.m. (CT) on the following calendar day.

1.4 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

1.5 "Month" shall mean the period extending from nine (9) a.m. (CT) on the first day of one calendar month to nine (9) a.m. (CT) on the first day of the next succeeding calendar month, both inclusive, except that the first "month" shall commence on the day of initial delivery of gas hereunder and shall end at nine (9) a.m. (CT) on the next succeeding first day of a calendar month.

1.6 A "year" shall mean a period consisting of three-hundred-sixty-five (365) consecutive days, commencing and ending at nine (9:00) a.m. (CT); provided, however, that any such year which contains the date of February 29 shall consist of three-hundred-sixty-six (366) consecutive days.

1.7 "Cubic feet" or "cubic foot" shall mean the volume of gas which occupies one (1) cubic foot of space at a temperature of sixty degrees (60°) Fahrenheit and an absolute dry pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

1.8 "Intra-Day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day.

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Third Revised Sheet No. 6A Third Revised Sheet No. 6A : Effective
Superseding: Substitute Second Revised Sheet No. 6A

1.9 "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

1.10 The term "psig" shall mean pounds per square inch gauge.

1.11 The term "psia" shall mean pounds per square inch absolute.

1.12 "British Thermal Unit" ("Btu") is the amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit and is equivalent to one therm. The standard Btu is the international Btu, which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units.

1.13 "PIN" is the Point Identification Number.

1.14 "GID" is the Global Identification Number identifying a customer legal entity.

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First Revised Sheet No.7 First Revised Sheet No.7 : Effective
Superseding: Original Sheet No. 7

1.13 The term "Gross Heating Value" shall mean the number of Btu's liberated by the complete combustion at a constant pressure, of one (1) cubic foot of gas, at a base temperature of sixty degrees (60) Fahrenheit and a referenced pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, with air of the same temperature and pressure of the gas, after products of combustion are cooled to the initial temperature of the gas, and after the water of the combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered; provided, however, that if the water vapor content of the gas is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry and no correction will be made.

ARTICLE II

QUALITY OF GAS

2.1 All gas delivered by Shipper (or its designee) to Caprock at the Delivery Point shall conform to the following specifications:

(A) Water Vapor: The gas shall in no event have a water vapor content in excess of seven (7) pounds of water vapor per million (1,000,000) cubic feet of gas measured at a pressure base of fourteen and seventy-three hundredths (14.73) psia and at a temperature base of sixty degrees (600) Fahrenheit.

(B) Hydrogen Sulfide: The gas shall not contain more than one quarter (0.25) grain of hydrogen sulfide per hundred (100) cubic feet.

(C) Total Sulphur: The gas shall not contain more than two (2) grains of sulfur per one hundred (100) cubic feet of gas.

(D) Mercaptans: The gas shall not contain more than five (5) parts per million (PPM) by volume of mercaptan.

(E) Temperature: The gas shall not have a temperature of less than forty degrees (400) Fahrenheit, nor more than one hundred twenty degrees (1200) Fahrenheit.

(F) Carbon Dioxide: The gas shall not contain in excess of two percent (2%) by volume of carbon dioxide.

(G) Oxygen: The gas shall not contain in excess of five (5) parts per million (PPM) by volume of oxygen.

(H) Nitrogen: The gas shall not contain in excess of two percent (2%) by volume of nitrogen.

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

(I) Objectionable Liquids and Solids and Dilution: The gas shall be commercially free from objectionable dust, gums, gum-forming constituents, or other liquids or solid matter which might become separated from the gas in the course of transportation through pipelines and shall not be subjected to any treatment or process which will change the chemical composition of any of the component parts of the gas, permit or cause the admission of oxygen or which will dilute such gas.

(J) Gross Heating Value: The gas shall have an as delivered Gross Heating Value of not less than nine hundred seventy-five (975) BTU per cubic foot nor more than one thousand one hundred (1100) BTU per cubic foot.

(K) Natural Gas Liquids: Notwithstanding the Gross Heating Value allowable above, the gas shall not contain more than two tenths (0.2) of a gallon per thousand cubic feet of Natural Gasoline (C5+ components) components.

(L) Non-Hydrocarbons: The gas shall not contain more than four percent (4%) by volume of non-hydrocarbons. Non-hydrocarbons shall include, but not be limited to, helium, carbon dioxide, nitrogen, hydrogen and hydrogen sulfide.

2.2 Nonconforming Gas - As to gas which cannot meet the specifications set out above and which Shipper elects not to process to meet said specifications, Caprock, in its sole opinion, shall have the option to:

(A) Refuse to accept delivery of such gas. In the event Shipper cannot correct such deficiency within a reasonable time, Caprock shall have the right to terminate the Agreement upon giving Shipper prior written notice; or

(B) Accept delivery of such gas pursuant to mutually agreeable terms, said terms to be agreed upon in writing by the parties. Caprock's acceptance of gas that does not conform to the quality specifications stated above in Article 2.1 shall not constitute a waiver of such specifications by Caprock in regard to gas delivered or redelivered under the Agreement in the future, nor shall acceptance without an express written waiver constitute a waiver of any claim for damages resulting from delivery of gas not meeting such specifications.

Notwithstanding the foregoing provisions of Article 2.1, in the event the quality specifications of the receiving pipeline at the Redelivery Point are more stringent than those defined above, Caprock shall not be required to accept at the Delivery Point(s), nor redeliver at the Redelivery Point(s) any gas for transportation hereunder to such points. Caprock reserves the right to amend the Quality of Gas specifications set forth in Article 2.1 effective with thirty (30) days prior written notice.

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First Revised Sheet No. 9 First Revised Sheet No. 9 : Effective
Superseding: Original Sheet No. 9

2.3 Odorization: Shipper shall be solely responsible for odorizing at the delivery point any part of the gas delivered hereunder which is diverted and/or used for any purpose for which odorization is required by any law, rule, order or regulation.

ARTICLE III
GAS BALANCING

3.1 It is the intent of the parties that deliveries and redeliveries of gas hereunder shall remain in continuous balance or as near thereto as practicable. It is agreed that insofar as operating conditions permit, the deliveries and redeliveries of gas hereunder shall be made as nearly as practicable at uniform hourly and daily rates of flow.

3.2 Any imbalance shall be corrected as soon as practicable.

In the event an imbalance between deliveries by Shipper to Caprock and redelivered by Caprock to Shipper should exist at the end of any billing period, then Shipper shall eliminate any such imbalance during the subsequent billing period. If such imbalance at the end of a billing period reflects net underdeliveries of gas to Caprock, then any overdelivery of gas by Shipper during the next subsequent billing period shall be credited against such net underdeliveries first. If such imbalance reflects net overdeliveries during the preceding billing period, then any underdeliveries of gas by Shipper during the next subsequent billing period shall be credited against such net overdeliveries first.

In the event: I) Shipper should fail to correct any imbalance for the preceding billing period during the next subsequent billing period; or ii) a) deliveries by Shipper, or on its behalf, to Caprock on each of five (5) days in any consecutive ten (10) day period should exceed 110% of the volumes accepted for redelivery to Shipper; or b) deliveries by Shipper to Caprock each of five (5) days in any consecutive ten (10) day period should be less than 90% of the volume accepted for redelivery to Shipper; then upon forty-eight (48) hours notice by Caprock, Shipper shall have forty-five days to correct any such excess imbalances (Balancing Period).

In the event any such excess imbalances are not corrected at the end of the Balancing Period: I) if the imbalance reflects overdelivery to Caprock, Caprock shall have the option to seize the overdelivered volumes or charge the Shipper \$1 per Dth, plus an additional \$1 per Dth for any billing period thereafter during which any portion of such imbalances remain; or ii) if the imbalance reflects underdeliveries to Caprock, Caprock shall have the right to charge to Shipper two (2) times the cost of gas incurred by Caprock to make up such underdeliveries.

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3.3 It is understood and agreed that Caprock shall have the absolute and unqualified right to commingle the gas transported hereunder, to redeliver gas different from those received, to treat the gas delivered in any manner, and to redeliver a like number of Dth's by displacement.

3.4 Caprock agrees to proceed with due diligence in transporting the volumes delivered or caused to be delivered by Shipper, and in maintaining a thermally equivalent Btu balance between volumes delivered and redelivered hereunder.

3.5 Both parties hereto shall have the right at any and all reasonable times to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to the Agreement.

3.6 No imbalance penalty shall be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

ARTICLE IV MEASUREMENT AND FACILITIES

4.1 Facilities - The parties acknowledge that, unless otherwise agreed, the facilities to measure the gas at the Delivery and Redelivery Point(s) will be installed, operated, and maintained by Caprock. All facilities placed by Caprock or its designee on or under the property of Shipper shall be deemed to be the personal property of Caprock or its designee, whether or not affixed to the realty, and shall at all times be subject to the absolute control and disposition of Caprock or its designee. Shipper shall be solely responsible for and shall bear the full costs of getting the gas to the Delivery Point(s) for transportation under the Agreement.

4.2 Measuring Equipment - Caprock or its designee shall designate the type of measuring equipment that shall be utilized and be the operator of the measurement facilities. Shipper may install, maintain and operate, at its sole cost and expense, check measuring equipment; provided, however, that such equipment shall be installed in a manner that will not interfere with the operation of the other party's measuring equipment.

4.3 Orifice Meters - Orifice meters installed in such measuring stations shall be constructed and operated in accordance with American National Standard Institute ("ANSI")/American Petroleum Institute ("API") 2530, American Gas Association ("AGA") Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent modification and amendment thereof, and shall include the use of flange connections and, where necessary, straightening vanes and pulsation dampening equipment.

Original Sheet No. 11 Original Sheet No. 11 : Effective

4.4 Positive Displacement Meters - Positive Displacement Meters installed in such measuring stations shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 6 (AGA Report No. 6) dated January 1971, and any subsequent amendment or revisions thereof.

4.5 Turbine Meters - Turbine Meters installed in such measuring stations shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 7 (AGA Report No. 7), First Revision, dated November 1984, and any subsequent modifications and amendments thereof.

4.6 Electronics - When and where electronic equipment and flow computers are used, the gas may have its volume, mass and/or energy content determined and computed in accordance with the applicable AGA Standards including, but not limited to, AGA Report No(s). 3, 5, 6, and 7 and any subsequent modifications and amendments thereof. The parties agree to accept the use of electronic devices and calculations in lieu of mechanical devices and chart integration.

4.7 Notice - Caprock shall give reasonable notice to Shipper in order that Shipper may have representatives present to observe any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting of Caprock's measuring equipment used in measuring or checking the measurement of receipts or deliveries of gas under the Agreement. The official charts (recordings) from such measuring equipment shall remain the property of Caprock, but upon request, Caprock will submit its records and charts, together with calculations therefrom, to Shipper for inspection and verification, subject to return to Caprock within thirty (30) days after receipt thereof.

4.8 Testing and Calibration

(A) Caprock shall verify the accuracy, adjust and calibrate all recording devices used in the measurement of the receipt of gas on at least a quarterly basis. Caprock shall not be required to, but may elect to, adjust or calibrate such equipment more frequently than specified above, unless Shipper desires a special test be performed as described in Section 4.9 below.

(B) If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of two percent (2%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), then any previous recording of such equipment shall be corrected to zero (0) error for any period which the error existed (and which is either known definitely or agreed to by both parties) and the total flow for the period redetermined in accordance with the provisions of Section 4.10 below. If the period of error cannot be determined or agreed upon between the

Original Sheet No. 12 Original Sheet No. 12 : Effective

parties, such correction shall be made over a period extending over the last one-half («) of the time elapsed since the date of the latest test, such correction period not to exceed fifteen (15) days.

(C) If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate (as described in part (B) of this Section), all prior recording shall be considered to be accurate for quantity determination purposes.

4.9 Special Test - In the event a Shipper desires a special test (a test not scheduled by Caprock under the provisions of Section 4.8 above) of any measuring equipment, seventy-two (72) hours advance notice, in writing, shall be given to Caprock and both parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the measuring equipment tested is found to fall under the provisions of Section 4.8(A) above or if an inspection of the primary measurement equipment indicates no problems, Caprock shall have the right to bill Shipper for the cost of such special test including any labor and transportation costs pertaining to such special test and Shipper shall pay such costs.

4.10 Measurement Adjustment - If, for any reason, any measurement equipment is (i) out of adjustment, (ii) out of service, or (iii) out of repair and the total calculated hourly flow rate through each meter run is found to be in error by an amount of the magnitude described in Section 4.8(B) above, the total quantity of gas delivered shall be redetermined in accordance with the first of the following methods which is feasible:

(A) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as described in Section 4.8 above);

(B) where parallel multiple meter runs exist, by calculation using the registration of such parallel meter runs; provided that they are measuring gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;

(C) by correcting the error by re-reading of the official charts, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation);

(D) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

4.11 Data and Records Retention - Caprock shall retain and preserve for a period of at least two (2) years all test data, charts, and other similar records.

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First Revised Sheet No. 13 First Revised Sheet No. 13 : Effective
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4.12 Volume and Quality Determination - The measurements of the quantity and quality of all gas delivered and purchased hereunder shall be conducted in accordance with the following:

(A) Unit of Volume: The unit of volume for measurement shall be one (1) cubic foot of gas. Such measured volumes, converted to MCF, shall be multiplied by their Gross Heating Value per cubic foot and divided by 1,000 to determine Dth's received and delivered.

(B) Orifice Meter Volume Computations: Computations of gas volumes from measurement data shall be made in accordance with ANSI/API 2530 (AGA Report No. 3), Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent amendments or revisions.

(C) Positive Displacement Meter Volume Computation: Computation of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 6 (AGA Report No. 6), dated January 1971 and any subsequent amendments or revisions.

(D) Turbine Meter Volume Computations: Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 7 (AGA Report No. 7), First Revisions, dated November 1984, and any subsequent amendments or modifications.

(E) Electronic Devices and Flow Computers Volume Computations: Computation of Gas Volumes from data or devices shall be in accordance with AGA Measurement Committee Report No(s). 3, 5, 6, and 7 and any subsequent amendments or revisions.

(F) Temperature Measurement: The temperature of the gas shall be determined by a recording thermometer or electronic means so installed that it may record the temperature of the gas flowing through the meters. If the parties do not consider the installation of such a recording thermometer to be necessary, other agreeable means of recording temperature may be used. The average temperature to the nearest one degree (10) Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

(G) Specific Gravity Measurement: At least quarterly, the specific gravity of the gas shall be determined at Caprock's option by an on-line chromatographic device or a chromatographic gas analysis of a spot or continuous gas sample. The specific gravity of the gas delivered hereunder shall be determined to the nearest one-thousandth (0.001) and shall be applied during the applicable quarter or time period for the determination of gas volumes delivered.

(H) Adjustment for Supercompressibility: At least quarterly, adjustments to measured gas volumes for the effects of supercompressibility shall be made in accordance with accepted AGA standards. Caprock shall obtain representative carbon dioxide and

nitrogen mole fraction values for the gas delivered or received as may be required to compute such adjustments in accordance with standard testing procedures. At Caprock's option, equations for the calculation of supercompressibility may be taken from either the AGA Manual for the Determination of Supercompressibility Factors for Natural Gas, dated December 1962 (also known as the "NX-19 Manual") or AGA Report No. 8, dated December 1985, Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases, latest revision.

(I) Assumed Atmospheric Pressure: An assumed atmospheric pressure as defined in the Agreement for the respective Delivery and Redelivery Point(s) shall be utilized for measurement and calculation purposes, irrespective of any variation of the actual atmospheric pressure from the assumed atmospheric pressure.

(J) Gross Heating Value: At least quarterly the Gross Heating Value of the gas delivered at the Redelivery Point hereunder shall be determined by calculating the Gross Heating Value from an on-line chromatographic or a gas analysis of a spot or continuous gas sample. The spot or continuous sample shall be taken at least quarterly and such sample shall be taken at a suitable point on the facilities to be representative of the gas being metered.

(K) Other Tests: Other tests to determine water content, sulfur, and other impurities in the gas shall be conducted by Caprock as necessary and shall be conducted in accordance with standard industry testing procedures. The party requested to perform such test(s) shall bear the cost of test(s) only in the event the gas tested is determined not to be within the applicable specification(s), otherwise the requesting party shall bear the cost of such test(s).

(L) New Test Methods: If at any time during the term hereof a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted for the method set forth in this Article when such methods or techniques are in accordance with the currently accepted standards of the American Gas Association, if mutually agreed upon by the parties.

4.13 Right of Inspection: Caprock or Shipper shall have the right to inspect equipment installed or furnished by the other or third party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done by Caprock, or its designee, unless agreed to otherwise by the parties.

ARTICLE V

WARRANTY OF TITLE

5.1 Each party hereto warrants (i) title to all gas delivered by it hereunder, to or for the account of the other party; (ii) that it has the right to deliver same hereunder; and (iii) that such gas is free from liens and adverse claims of every kind. Each party will indemnify and save the other party harmless against all loss, damage and expense of every character with respect to gas delivered by it on account of royalties, taxes, payments or other charges applicable before or upon delivery of the gas hereunder.

5.2 Notwithstanding Section 9.4 herein, Shipper agrees to indemnify and hold harmless Caprock, its officers, agents, employees and contractors against any liability, loss or damage whatsoever, including litigation expenses, court costs and attorneys' fees, suffered by Caprock, its officers, agents, employees or contractors, where such liability, loss or damage arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity, public or private, asserting ownership of or an interest in the gas tendered for transportation or the proceeds resulting from any sale of that gas. The delivery and redelivery of gas under the executed Agreement shall not be construed to affect or change title to the gas.

ARTICLE VI

FORCE MAJEURE

6. If either Caprock or Shipper is rendered unable, wholly or in part, by force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with any obligation or condition of the Agreement, upon giving notice and reasonably full particulars to the other party, as soon as reasonably possible, such obligation or condition shall be suspended during the continuance of the inability so caused and such party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during such period; provided, obligations to make payments for reservation fees or payments then due for gas already received, transported and/or redelivered hereunder shall not be suspended and the cause for such suspension (other than labor disputes, strikes or lockouts) shall be remedied as soon as possible with reasonable dispatch. Settlement of strikes, lockouts and labor disputes shall be wholly within the discretion of the party having the difficulty.

The term "force majeure" shall include, but is not limited to, acts of God and the public enemy, the elements, fire, accidents, breakdowns, strikes and any other industrial, civil or public disturbance, inability to obtain or delay in obtaining rights-of-way, material, supplies, permits of labor, maintenance, repair, or replacement of pipeline facilities, any act or omission by parties not subject to control by the party having the difficulty, and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority civil or military.

ARTICLE VII

TERMS OF SERVICE

7.1 Transportation service shall be provided on a first-come, first-served basis, which shall be determined by the date of receipt by Caprock of Shipper's valid written request for transportation stating the proposed total volumes to be transported, the proposed delivery and redelivery point(s), the volume of gas to be delivered and redelivered at each delivery and redelivery point in the case of multiple delivery and/or redelivery points, and the proposed term; provided, however that Shipper must be ready, willing and able to commence deliveries of gas within sixty (60) days of the date of making the request, or any extended time period established by Caprock, as necessary for completion of any necessary facilities (which shall be made only at Shipper's sole expense), if required. Failure by Shipper to demonstrate the ability to perform hereunder and to commence transportation within the period provided shall result in rejection of Shipper's proposal and the removal of Shipper from its first-come, first-served place. All requests received by Caprock simultaneously will be determined by a lottery.

7.2 The rate charged by Caprock shall not exceed the rate approved by the FERC under Caprock's applicable Tariff or the Rules and Regulations for Section 311 transportation under the Natural Gas Policy Act of 1978. Caprock reserves the right at any time, and from time to time, to change its transportation rate or the provisions of this tariff by appropriate filings with the FERC.

7.3 Nothing contained herein shall preclude a Shipper from challenging before the FERC any rate applied for by Caprock.

7.4 Shipper shall reimburse Caprock for all filing and other fees which Caprock pays or is required to pay in connection with any transportation transaction.

7.5 In the event additional facilities are required to effect the transportation by Caprock, the Shipper shall reimburse Caprock within fifteen (15) days of Shipper's receipt of an invoice for all costs, including

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allocated overhead not to exceed fifteen percent (15%) of the total cost of installation which includes: obtaining right of way, surface sites, professional services, materials, equipment and labor for the installation of such facilities. Such additional facilities shall, upon completion, be owned, operated and maintained by Caprock or its designee.

ARTICLE VIII

BILLING AND PAYMENT

8.1 Billing - On or before the ninth (9th) business day after the end of the production month Caprock shall prepare an invoice evidencing the bill for services rendered to Shipper under the executed Agreement during the preceding month. When Shipper is in control of information required by Caprock to prepare invoices, Shipper shall cause such information to be received by Caprock on or before the fifth (5th) day of the month immediately following the month to which the information applies. An imbalance statement will be rendered prior to or with the invoice. Rendered is defined as postmarked, time-stamped and delivered to the designated site.

8.2 Payment by Wire Transfer - Payment to Caprock for services rendered during the preceding month shall be due on the twenty-sixth (26) day of the calendar month next succeeding that month for which such service was rendered and shall be paid by Shipper on or before such due date. Subject to the provisions of paragraph 8.3 below, Shipper shall make such payment to Caprock by wire transfer in immediately available funds to a depository designated by Caprock. When the due date falls on a day that the designated depository is not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by Caprock on or before the first business day on which the designated depository is open after such due date.

8.3 Payment Other Than by Wire Transfer - In the event that Shipper is unable to make payment by wire transfer, then payment to Caprock for services rendered during the preceding month shall be due on the twenty-fifth (25) day of the calendar month next succeeding that month for which such service was rendered. Shipper shall cause payment for such bill to be actually received by Caprock at its offices in Houston, Texas, directed to the attention of General Accounting, on or before such due date. When the due date falls on a day that Caprock's offices located in Houston, Texas, are not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by Caprock on or before the last business day on which Caprock's offices located in Houston, Texas, are open prior to such due date.

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8.4 Failure to Pay Bills - Should Shipper fail to pay all of the amount of any bill when the same becomes due, Shipper shall pay Caprock a late charge on the unpaid balance that shall accrue on each calendar day from the due date at a rate equal to two percent (2%) above the then-effective

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prime commercial lending rate per annum announced by CitiBank, N.A. from time to time, provided that for any period that such late charge would exceed any applicable maximum rate permitted by law, the late charge shall equal said applicable maximum rate permitted by law. The late charge provided for by this paragraph shall be compounded monthly. If either principal or late charges are due, any payments thereafter received shall first be applied to the late charges due, then to the previously outstanding principal due and, lastly, to the most current principal due. Subject to requirements of regulatory bodies having jurisdiction and without prejudice to any other rights and remedies available to Caprock under the law and the executed Agreement, Caprock shall have the right to discontinue transportation service if any bill remains unpaid for thirty (30) days after the due date thereof or if Shipper breaches any of the other terms and conditions of the executed Agreement and, for thirty (30) days after receipt of written notice from Caprock of such other breach, fails to remedy or correct the same; provided, however, that in the event of a bona fide dispute between the parties in respect of breach, or in respect of the amount due under any bill, Caprock shall not have the right to discontinue the transportation of gas for Shipper's account until after the expiration of thirty (30) days from the date a final decision is no longer subject to appeal by a court of competent jurisdiction, unless the decision of the court has determined such dispute in favor of Caprock and against Shipper and Shipper has failed to remedy or correct such violation or breach of contract within said thirty (30) day period. Transportation of gas shall be resumed upon remedy of Shipper's breach.

8.5 Delayed Bill - If Caprock fails to mail any bill by the ninth (9th) business day of the month then the time of payment shall be extended by one (1) day for each day that the mailing of said bill is delayed unless Shipper is responsible for such delay.

8.6 Prior Period Adjustments - Prior period adjustment time limits should be six (6) months from the date of the initial transportation invoice and seven (7) months from the date of the initial sales invoice, with a three (3) month rebuttal period, excluding government required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties other statutory or contractual rights shall not otherwise be diminished by this paragraph. Measurement prior period adjustments shall be taken back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Measurement data corrections should be processed within six months of the production month with a three month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties other statutory or contractual rights shall not otherwise be diminished by this provision. Missing or late measurement data shall be estimated on the invoice. The measuring party shall provide the estimate. When actual data is acquired, it shall be treated as a prior period adjustment.

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8.7 If the invoice is in dispute, the Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. The time limitation for disputes of allocations should be six months from the date of the initial month-end allocation with a three month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties other statutory or contractual rights shall not otherwise be diminished by this paragraph.

8.8 Transporter shall not be required to perform or to continue service under any Rate Schedule for any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate credit worthiness; provided, however, such Shipper may receive service if Shipper prepays for such service or furnished good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a three (3) month period. Such cost of performing the service shall include, but not be limited to, the projected cost of transporting Shipper's gas or the equivalent of the cost of gas owed Transporter by the Shipper under an imbalance.

ARTICLE IX

MISCELLANEOUS

9.1 Any modification of terms or amendment of provisions of the Agreement shall become effective only by supplemental written agreement between the parties.

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9.2 No waiver by Caprock or Shipper of any default of the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character.

9.3 As between the parties hereto, Shipper shall be in control and in possession of the gas prior to such gas being delivered hereunder to Caprock and responsible for any damages, losses or injuries caused thereby until the same shall have been delivered to Caprock at the Delivery Points, except for injuries and damages which shall be occasioned solely and proximately by the negligent act or omission of Caprock. After delivery of said gas by Shipper or its designee, Caprock shall thereafter be deemed in exclusive control and possession of such gas until redelivery thereof at the Redelivery Points and responsible for any injuries or damages caused thereby, except injuries and damages which shall be occasioned solely and proximately by the negligence, act or omission of Shipper or its designee.

9.4 Each party to the executed Agreement shall bear responsibility for all of its own breaches, tortious acts, or tortious omissions connected in any way with the executed Agreement causing damages or injuries of any kind to the other party or to any third party, unless otherwise expressly agreed in writing between the parties. Therefore, the offending party as a result of such offense shall hold harmless and indemnify the non-offending party against any claim, liability, loss, or damage whatsoever suffered by the non-offending party or by any third party. As used herein: the term "party" shall mean a corporation or partnership entity or individual and its officers, agents, employees and contractors; the phrase "damages or injuries of any kind" shall include without limitation litigation expenses, court costs, and attorneys' fees; and the phrase "tortious acts or tortious omissions" shall include without limitation sole, or concurrent simple negligence, gross negligence, recklessness, and intentional acts or omissions.

9.5 As between Caprock and Shipper, Caprock shall have no obligation whatsoever to odorize the gas delivered, nor to maintain any odorant levels in such gas. Notwithstanding Section 9.4 herein, Shipper agrees to indemnify and hold harmless Caprock, its officers, agents, employees and contractors against any liability, loss or damage, including litigation expenses, court costs and attorney's fees, whether or not such liability, loss or damage arises out of any demand, claim, action, cause of action, and/or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the executed Agreement, where such liability, loss or damage is suffered by Caprock, its officers, agents, employees and/or contractors as a direct or indirect result of any actual or alleged sole or concurrent negligent failure by Caprock or any actual or alleged act or omission of any nature by Shipper to odorize the gas or product delivered under the executed Agreement or to maintain any odorant levels in such gas.

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9.6 As to all matters of construction, the Agreement shall be interpreted, construed and governed by the laws of the State of Texas.

9.7 The Agreement may be assigned by Caprock at any time. No assignment of the Agreement shall be made by Shipper without the prior written consent of Caprock.

9.8 Venue for any cause of action shall be Harris County, Texas.

9.9 Caprock shall be able to recover or regenerate electronic records of transactional data for at least two years. This does not otherwise modify statutory, regulatory or contractual record retention requirements.

ARTICLE X

ANNUAL CHARGE ADJUSTMENT PROVISION

10.1 Purpose - This Section establishes an Annual Charge Adjustment provision ("ACA") which will permit Caprock to recover from its Shippers the annual charges assessed to Caprock by the FERC under Part 382 of the FERC's Regulations.

10.2 Applicable Customers - The ACA is applicable to each rate schedule contained in this Tariff.

10.3 Adjustment Date - The adjustment date for the ACA shall be October 1 of each year or as directed by an order of the FERC. On the adjustment date, Caprock shall increase or decrease the ACA unit charge to each of the applicable rate schedules as authorized by the FERC to be recovered by Caprock. For those rate schedules with a two-part rate, the ACA unit charge shall only apply to the commodity component of such rate.

10.4 Effective Date - The ACA unit charge shall become effective October 1 of each year or as directed by an order of the FERC if:

- (A) Caprock has paid the applicable annual charge in compliance with Section 382.103 of the FERC's Regulations; and
- (B) the ACA unit charge is not subject to suspension or refund obligation.

ARTICLE XI

ALLOCATION OF DELIVERIES AND CAPACITY

11.1 This section applies to those situations where Shipper is receiving gas from Caprock at a redelivery point under more than one transportation Rate Schedule, and sets forth the procedures by which Caprock will determine the quantities of gas delivered on any one day at such point under each applicable Rate Schedule.

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(A) Rate Schedule FS - On any day on which Shipper delivers gas to Caprock, under Rate Schedule FS, redeliveries of gas to Shipper shall be deemed to be undertaken pursuant to Rate Schedule FS up to the full volume of FS service nominated by Shipper for that day, prior to any redeliveries of gas transported under any other Rate Schedule.

(B) Rate Schedule IS - On any day on which Shipper delivers gas to Caprock under Rate Schedule IS, redeliveries of gas to Shipper shall be deemed to be undertaken pursuant to Rate Schedule IS only after delivery by Caprock of the full volume of gas transported on that day under Rate Schedule FS.

11.2 This section applies to the allocation of aggregate delivery point capacity, individual delivery point capacity, mainline segment capacity and redelivery capacity when the daily nominated volumes for any of these points exceeds the point's capacity. Rate Schedule FS Shippers will have the capacity at the point allocated based upon each Shipper's total contract demand compared to the total demand of all FS Shippers requesting capacity at that point. If there is capacity available at that point after FS Shippers have been satisfied, then IS Shippers will have the capacity allocated with service to such Shippers interrupted beginning with the first to occur of the following:

- (A) the queue priority as determined in Section 12.
- (B) the lowest total price per unit, including without limitation fuel and shrinkage adjustments, paid for interruptible service.

11.3 Caprock will enter into mutually acceptable pre-determined allocation agreements with upstream and downstream operating parties to accommodate allocation of flows among Shippers at any receipt or delivery point. Caprock and the operating parties should agree on who submits a pre-determined allocation methodology and who allocates at the point before gas flows. Only one pre-determine allocation methodology can apply per allocation point. The upstream or downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before the start of the gas day. The allocating party will send back a confirmation of the receipt of the pre-determined allocation within fifteen minutes. The types of allocation methodologies from which the parties may agree are ranked, pro-rata, percentage, swing and operator provided value. If Caprock and the upstream or downstream operating party cannot agree upon an allocation methodology, pro-rata based upon confirmed nominations shall be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation.

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ARTICLE XII

CURTAILMENT PLAN

12. Capacity Curtailment and Interruption Procedures for
Transportation Services

- (A) Caprock shall have the right to curtail, interrupt or discontinue service in whole or in part on all or a portion of its systems from time to time and at any time (1) for reasons of force majeure or when necessary, in Caprock's reasonable judgement, to meet its systems operating requirements or other service obligations, (2) to perform routine maintenance, repairs, and regulatory compliance activity or (3) to the extent, in Caprock's reasonable judgement, such

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service would impair Caprock's ability to meet its firm service obligations, or to render any future service that may be provided by Caprock on a firm basis. Shipper shall indemnify Caprock from and against any and all losses, damages or expenses of every kind and character, direct or indirect, which Caprock or Shipper may suffer, sustain or be liable and hold Caprock harmless from and against any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Caprock.

(B) In the event any services are curtailed or interrupted hereunder, Caprock shall reduce scheduled service, to zero if necessary, in the following order:

(1) scheduled service under Caprock's interruptible rate schedules commencing with service to be charged at the minimum rate of Caprock then in effect on a first-come, first-served basis, based upon the queue priority as determined in accordance with this Section; next in order shall be service to be charged at a rate that is greater than the minimum rate of Caprock then in effect, in sequence beginning with the rate most proximate to the minimum rate, such determination to be based on the percentage of discount from the applicable maximum rate, and within each rate category on a first-come, first-served basis based on queue priority; provided further that within each of these rate categories among Shippers with the identical first-come, first-served priority on Caprock's system where Caprock is required to interrupt or curtail scheduled interruptible transportation, Caprock shall prorate the available capacity among said Shippers based upon the quantities of gas scheduled by Caprock for their respective accounts. In the event Shipper is receiving service at less than the applicable maximum rate and Caprock determines that interruption or curtailment of service is required, Shippers making such election will be required to pay the applicable maximum rate in order to avoid interruption or curtailment of service to the extent that any interruptible service is available as determined by Caprock. Such election shall be a one time election effective during such periods of interruption or curtailment regardless of duration; and

(2) scheduled service under Caprock's FS Firm Rate Schedule on a pro rata basis. Such proration shall be based on Caprock's maximum firm daily contractual obligations to provide firm service on that day.

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(c) If any Shipper wishes voluntarily to relinquish any rights to capacity to which such Shipper would be entitled under the curtailment program, such Shipper shall notify Caprock sufficiently in advance of the quantities which are to be relinquished, and Caprock shall take such relinquished quantities into account in determining the total amount to be curtailed.

ARTICLE XIII

13. CAPACITY RELEASE BY FIRM SHIPPERS

13.1 GENERAL

(a) Subject to the terms, conditions and limitations set forth in this Section 13, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 13, to receive a credit for reservation charge revenues received by Transporter from that other Shipper for such released capacity.

(b) The deadlines set forth in this Section 13 are applicable to all parties involved in the capacity release process; however, they are only applicable if all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, and there are no special terms or conditions of the release.

(c) Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 13:

(1) For short-term releases (less than five months):

(i) The Capacity Release Request should be tendered by no later than 1:00 p.m. Central Clock Time on the day before nominations are to be submitted under the resulting release;

(ii) The open season ends no later than 2:00 p.m. Central Clock Time on the day before nominations are due (evaluation period begins at 2:00 p.m. Central Clock Time during which contingency is eliminated, determination of winning Qualified Bid(s) is made, and ties are broken);

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- (iii) Evaluation period ends at 3:00 p.m. CCT;
- (iv) Match or award is communicated by 3:00 p.m. CCT;
- (v) Match response by 4:00 p.m. CCT;
- (vi) Award posting by 5:00 p.m. CCT;
- (vii) Posting of pre-arranged deals not subject to bid by 9:00 a.m. Central Clock Time on the day of nominations;
- (viii) Released Firm Transportation Agreement tendered with contract number by 10:00 a.m. Central Clock Time; contract executed; nomination possible for next Day gas flow.

(2) For longer term releases (five months or more):

- (i) The Capacity Release Request should be tendered by no later than 1:00 p.m. Central Clock Time four (4) Business Days before the award for long-term releases;
- (ii) The open season ends no later than 2:00 p.m. Central Clock Time on the day before nominations are due (open season is three Business Days);
- (iii) Evaluation period begins at 2:00 p.m. Central Clock Time during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (iv) Evaluation period ends at 3:00 p.m. CCT;
- (v) Match or award is communicated by 3:00 p.m. CCT;
- (vi) Match response by 4:00 p.m. Central Clock Time;
- (vii) Award posting by 5:00 p.m. Central Clock Time;
- (viii) Posting of pre-arranged deals not subject to bid by 9:00 a.m. Central Clock Time on the day of nominations;
- (ix) Released Firm Transportation Agreement tendered with contract number by 10:00 a.m. Central Clock Time; contract executed; nomination possible for next Day gas flow.

13.2 DEFINITIONS

(a) BID VALUE

The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 13.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

(b) CAPACITY RELEASE REQUEST

The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 13.

(c) ELIGIBLE FIRM TRANSPORTATION AGREEMENT

A transportation agreement under Rate Schedule FTS.

(d) MAXIMUM BID VOLUME

The maximum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(e) MINIMUM BID VOLUME

The minimum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(f) ORIGINAL SHIPPER

The entity who is the Shipper under an Eligible Firm Transportation Agreement (other than through a capacity release).

(g) PREARRANGED RELEASE

The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 13.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 13.

(h) PREARRANGED SHIPPER

A person or entity prequalified under Section 13.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights.

(i) QUALIFIED BID

A binding bid prequalified under Section 13.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 13.

(j) QUALIFIED BIDDER

Any person or entity prequalified under Section 13.15 who bids for capacity rights being released under this Section 13.

(k) RELEASED FIRM TRANSPORTATION AGREEMENT

The agreement between Transporter and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 13.

(l) RELEASING SHIPPER

Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 13.

(m) REPLACEMENT SHIPPER

A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 13.

(n) SHORT-TERM PREARRANGED RELEASE

A Prearranged Release with a term of thirty-one (31) days or less that is not for the maximum reservation charge.

(o) SUBREPLACEMENT SHIPPER

A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 13.

(p) UNIT BID VALUE

The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 13.10.

(q) WINNING BID VALUE

The highest possible total Bid Value achievable under Section 13.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 13.

13.3 RELEASE WITHOUT A PREARRANGED SHIPPER

A Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights without a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's DART system (or in writing for posting on Transporter's DART system if Transporter's DART system is unavailable for receiving Capacity Release Requests) which sets forth:

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(a) The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;

(b) The quantity of the capacity (in Dth per day) and the transportation path(s) being released, including identification by Transporter's PIN Number of the Receipt Points, Delivery Points, and the firm capacity to be released at each such point;

(c) Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 13.5 and 13.14);

(d) The proposed effective date and proposed term of the release;

(e) Whether the Releasing Shipper wants Transporter to actively market the Releasing Shipper's capacity rights;

(f) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(g) The starting date for the open season and the length of time for the open season (which must conform to Section 13.7);

(h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(i) Which of the bid evaluation procedures set forth in Section 13.10 the Shipper wishes to use, if any;

(j) Whether the Qualified Bids are to specify dollars and cents and/or percents of maximum tariff rate; and

(k) Any other applicable conditions (which must conform to Section 13.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 13.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 13.5(a).

13.4 PREARRANGED RELEASE

Subject to Section 13.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's DART system or via EDI at Transporter's designated site for an open season. The Capacity Release Request shall set forth:

(a) The Releasing Shipper's legal name, address and phone number, the Prearranged Shipper's legal name, address, phone number, and telefax number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individuals at the Releasing Shipper and the Prearranged Shipper responsible for authorizing the capacity release;

(b) A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 13 by Transporter and to execute a Released Firm Transportation Agreement, which consists of Transporter's standard form of FTS Agreement and the terms and conditions of the Prearranged Release, in accordance with Transporter's Tariff. Such statement shall also set forth:

(1) The quantity of the capacity (in Dth per day) and the transportation path(s) being released, including identification by Transporter's PIN Number (or Common Code) of the Receipt Points, Delivery Points and the firm capacity to be released at each such point;

(2) The fixed reservation charge and/or volumetric charge the Prearranged Shipper has agreed to pay for the released capacity;

(3) Whether the capacity being released is subject to recall and/or reput in the Prearranged Release and, if so, the exact conditions of such recall and/or reput (which conditions must conform with Sections 13.5 and 13.14); and

(4) The proposed effective date of the Prearranged Release and the proposed term of the Prearranged Release.

(c) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(d) Whether the Releasing Shipper will accept Qualified Bids with longer terms or larger volumes, and if so, what is the maximum volume and the longest term the Releasing Shipper will accept;

(e) Whether the Releasing Shipper wants Transporter to actively market its capacity rights subject to the Prearranged Release pursuant to Section 13 of these General Terms and Conditions;

(f) The starting date for and the length of time for the open season (which must conform to Section 13.7) and the length of time [consistent with Section 13.9(b)] for the Prearranged Shipper to be able to match a winning Qualified Bid;

(g) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(h) Which of the bid evaluation procedures set forth in Section 13.10 the Shipper wishes to use, if any;

(i) Whether the Qualified Bids are to specify dollars and cents and/or percents of maximum tariff rate; and

(j) Any other applicable conditions (which must conform with Section 13.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 13.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 13.5(a).

13.5 CAPACITY RELEASE REQUIREMENTS

(a) All terms and conditions relating to a release which is the subject of a Capacity Release Request: (1) must be nondiscriminatory and applicable to all potential bidders; (2) must be made available to Transporter for posting; (3) must relate solely to the details of acquiring or maintaining the transportation capacity rights on Transporter, which are the subject of the release; and (4) must not place any obligations or burdens on Transporter in addition to the terms and conditions applicable to a capacity release under this Section 13 which are specified in Transporter's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from Transporter's bid evaluation procedure set forth in Sections 13.10(b) through 13.10(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on Transporter's DART system. Transporter may require the Releasing Shipper to submit a working computer program to Transporter in diskette form which is compatible with Transporter's DART system computer which will enable Transporter to make such alternative bid evaluation entirely through Transporter's DART system, prior to the time any alternative bid evaluation procedure is requested, if such bid evaluation procedure is not based on (1) highest rate; (2) net revenue; or (3) present value as determined in Sections 13.10(b)(1) through 13.10(b)(4) (collectively referred to as "Acceptable Alternative Bid Evaluation Procedure") and the remaining procedures set forth in Sections 13.10(c) and 13.10(d). If the Releasing Shipper elects a bid evaluation procedure that differs from Transporter's bid evaluation procedure or the Acceptable Alternative Bid Evaluation Procedure and the remaining procedures set forth in Sections 13.10(c) and 13.10(d), Transporter shall not be held to the

subsequent deadlines set forth in this Section 13, but Transporter shall make a reasonable attempt to adhere to such deadlines. Transporter shall publish standards relating to such computer diskettes, but it is the responsibility of the Releasing Shipper to develop and provide the working computer diskette. The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

(b) The term of any release of capacity sought under this Section 13 shall be at least one full day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

(c) The quantity sought to be released under a Capacity Release Request shall not be less than the minimum quantity required for the Eligible Firm Transportation Agreement under Transporter's Tariff.

(d) (1) No capacity release under this Section 13 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. In the event a path is segmented by a capacity release under this Section 13, the upstream path segment shall receive all secondary points upstream of the break point and the downstream path segment shall receive all secondary points downstream of the break point. The direction of "forward" flow for path segments must be the same direction of "forward" flow for the original path. The Replacement Shipper may nominate service at Receipt and Delivery Points for the path segment that result in a reverse flow from the original path; however, such service will be treated as being outside of the path.

(2) The commodity and reservation charges applicable to deliveries to and from newly created path endpoints as a result of a path segment release shall be determined in accordance with Rate Schedule FS.

(3) No Replacement Shipper or Subreplacement Shipper shall have the right to change the primary Receipt or Delivery Points listed in the Eligible Firm Transportation Agreement, unless the Original Shipper and Transporter agree to amend the Eligible Firm Transportation Agreement to accordingly change the primary Receipt and Delivery Points.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to repute all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of Transporter's Tariff, including Section 13.14 of these General Terms and Conditions.

(f) (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 13 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid.

(2) Offer should be binding until written or electronic notice of withdrawal is received by Transporter.

(3) Notice of a withdrawal of a Capacity Release Request must be delivered to Transporter's DART system or via EDI no later than the end of the open season for the Capacity Release Request.

(g) A Replacement Shipper or Subreplacement Shipper may release the capacity under the provisions of this Section 13 (except as prohibited by the Federal Energy Regulatory Commission Regulations).

(h) Any Capacity Release Request not in compliance with this Section 13.5 and the other provisions of Transporter's Tariff shall be null and void and, even if posted, may be removed from Transporter's DART system by Transporter at any time.

13.6 OPEN SEASON EXCEPTIONS

An open season is not required for: (a) a Prearranged Release for the maximum reservation charge applicable to the capacity being released; or (b) a Short-term Prearranged Release. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 13.4(a) and (b). Such Capacity Release Request must be delivered to Transporter's DART system (or in writing for posting on Transporter's DART system if Transporter's DART system is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 13.9 before the release transaction is to commence. A Releasing Shipper may not rollover, extend or in any way continue a Short-term Prearranged Release with the same Replacement or Subreplacement Shipper until twenty-eight (28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 13.3 and 13.4.

13.7 POSTINGS; OPEN SEASON

(a) A Capacity Release Request received by Transporter via EDI (which is applicable only for Prearranged Capacity Release Request) or through the DART system prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with this Section 13 shall be posted on Transporter's DART system as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identifying information, and the minimum price in any minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request, the beginning and ending time for the open season and the time the notice was posted. Transporter shall post the Capacity Release Request upon receipt, unless the Releasing Shipper requests otherwise. If the Releasing Shipper requests a posting time, Transporter will comply with that request as long as it comports with the deadlines set forth in this Section 13.

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(b) An open season shall consist of: (1) a one (1) hour period on a business day between 1:00 p.m. and 2:00 p.m. Central Clock Time or (2) any number (no fractions) of days running from 1:00 p.m. Central Clock Time on the following business day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any capacity release for a period of five (5) months or longer must have an open season of at least three business days, each running from 1:00 p.m. Central Clock Time on a business day to 2:00 p.m. Central Clock Time on the following business day.

(c) A Releasing Shipper may not specify an extension of an open season or the match period for a Prearranged Release. Rather, the Releasing Shipper must submit a new Capacity Release Request.

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13.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

(a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid to Transporter's DART system (or in writing for posting on Transporter's DART system if Transporter's DART system is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 13.15, each Qualified Bid must include the following:

(1) The Qualified Bidder's legal name, address, phone number, telefax number, the name and title of the individual responsible for authorizing the Qualified Bid and identification of the capacity rights for which the Qualified Bid is made;

(2) The term for the purchase;

(3) A Minimum Bid Volume and a Maximum Bid Volume (in Dth per day);

(4) The fixed reservation charge and/or volumetric charge that the Qualified Bidder agrees to pay for the capacity (and if a volumetric charge, any minimum amount to be billed as a reservation charge, which must be equal to or greater than any such amount designated by the Releasing Shipper);

(5) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in Section 13. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and

(6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by Transporter pursuant to this Section 13 to the Qualified Bidder, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.

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(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under Transporter's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 13.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ, unless the Capacity Release Request specifically allows otherwise.

(c) A Qualified Bidder may not bid rates which would exceed Transporter's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity.

(d) All Qualified Bids shall provide for payment of maximum commodity charges under Transporter's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under Transporter's Tariff, such as, but not limited to, ACA, Fuel Gas and Unaccounted For Gas.

(e) A Qualified Bid received by Transporter during an open season shall be posted by Transporter on its DART system, without the name of the Qualified Bidder. A Qualified Bid may be withdrawn by the Qualified Bidder prior to the close of the open season, but may not be withdrawn thereafter. Following such withdrawal, the Qualified Bidder cannot bid for the same capacity during the open season at a lower rate.

(f) All Qualified Bids must be consistent with all provisions of Transporter's Tariff. Any Qualified Bid inconsistent with Transporter's Tariff or the applicable Capacity Release Request shall be null and void.

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13.9 AWARDING OF RELEASED CAPACITY; EFFECTIVE DATE; GAS NOMINATIONS

(a) For a Prearranged Release for which no open season is required under Section 13.6 and which is received by 9:00 a.m. Central Clock Time on a business day, Transporter shall award the capacity to the Prearranged Shipper by 10:00 a.m. Central Clock Time on such business day on which Transporter received the Prearranged Release, provided that all applicable provisions of this Section 13 have been complied with.

(b) As to any other Prearranged Release, in the event there was no winning Qualified Bid(s) with a higher total Bid Value than the Prearranged Shipper's Bid Value, Transporter shall notify the Prearranged Shipper by 3:00 p.m. Central Clock Time following the end of the open season. If, during an open season, the winning Qualified Bid(s) have a higher total Bid Value than the Bid Value of the Prearranged Release under the bid evaluation procedure selected by the Releasing Shipper, then, by 3:00 p.m. Central Clock Time following the conclusion of the open season, Transporter shall notify the Prearranged Shipper of the terms and conditions of the winning Qualified Bid(s), except for any identification of the Qualified Bidder(s). The Prearranged Shipper may elect to match any or all of such winning Qualified Bid(s), but may not elect to match only a portion of a winning Qualified Bid. Such election shall consist of the Prearranged Shipper submitting notice to Transporter of its unconditional agreement to the terms and conditions of one or more of such winning Qualified Bid(s) in writing or electronic means by 4:00 p.m. Central Clock Time on the business day on which Transporter gave notice to the Prearranged Shipper of such winning Qualified Bid(s) (or such later time as requested by the Releasing Shipper in its Capacity Release Request). In the event of a timely match, then the Prearranged Shipper shall be awarded the released capacity by 5:00 p.m. Central Clock Time on that business day. To the extent that the Prearranged Shipper fails to timely match (within the above time frame) the winning Qualified Bid(s) with a higher Bid Value, then the Qualified Bidder(s) who made the winning Qualified Bid shall be awarded the capacity by 5:00 p.m. Central Clock Time on the business day of Transporter's notice to the Prearranged Shipper.

(c) For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when Transporter has identified the entity(s) to receive the released capacity under this Section 13.

(d) A capacity release shall become effective, and nominations for gas service utilizing the release capacity shall be accepted, at the latest of the following times:

(1) The applicable nomination deadline set forth in Section 16 of these General Terms and Conditions for the start of service requested for such release in the Capacity Release Request; or

(2) The applicable nomination deadline set forth in Section 16 of these General Terms and Conditions on the day following the capacity award.

(e) Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 16 of these General Terms and Conditions. Gas nominations by a Shipper utilizing released capacity awarded by Transporter shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by Transporter pursuant to this Section 13, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.

(f) Subject to the other provisions in this Section 23, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

13.10 BID EVALUATION PROCEDURE

(a) Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 13.10(b) through 13.10(g) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. Central Clock Time following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

(b) Transporter shall calculate a Bid Value and Unit Bid Value for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:

(1) For each month, the volume and reservation charge per Dth stated in the Qualified Bid shall be multiplied together to derive a gross monthly revenue figure. If the Qualified Bids contain volumetric-based charges permitted by the Capacity Release Request, then the gross monthly revenue figure shall be equal to any minimum amount designated by the bidder to be billed as a reservation charge even if there is no (or insufficient) flow.

(2) Each gross monthly revenue figure shall be discounted to a net present value figure as of the first day of the capacity release as sought in the Capacity Release Request, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d) (1).

(3) The net present value figures for the proposed release shall be summed, and such sum shall be the Bid Value.

(4) The Unit Bid Value is defined to equal the Bid Value divided by the product of: (i) the highest volume of capacity (in Dth) sought in the Qualified Bid for any day; multiplied by (ii) the release term (in months) in the Capacity Release Request; and multiplied further by (iii) thirty and four-tenths (30.4).

(c) The combination of Qualified Bid(s) with the highest possible total Bid Value (Winning Bid Value) for the capacity in the Capacity Release Request shall be the winning Qualified Bid(s). A Qualified Bid may be allocated less than its Maximum Bid Volume, but in no event shall the Qualified Bid be allocated less than its Minimum Bid Volume. It is recognized that this procedure is intended to result in the highest possible total Bid Value for the Releasing Shipper consistent with the Qualified Bids, and it is possible that a Qualified Bid with the highest individual Unit Bid Value may be rejected partially or in its entirety.

(d) If there is more than one combination of Qualified Bids with a total Bid Value equal to the Winning Bid Value this Section 13.10(d) provides the procedure for selecting just one such combination, and thereby the winning Qualified Bid(s).

Subject to the provisions in Sections 13.10(d) (1), (2) and (3) below, the selection of winning Qualified Bid(s) among Qualified Bids (or combinations thereof) of equal Winning Bid Value is based on the following order of preference: (i) pro rata, if possible; (ii) preference for a Qualified Bid with the highest Maximum Bid Volume; (iii) preference for a Qualified Bid with the lowest Minimum Bid Volume; and (iv) first come, first served.

The specific Qualified Bid selection procedure is as follows:

(1) Identify the Winning Bid Value. If there is only one Qualified Bid, or combination of Qualified Bids, which create the Winning Bid Value, such Qualified Bid(s) shall be awarded the released capacity.

(2) In order to break ties, identify all Qualified Bids which, alone or in combination with other Qualified Bids, can create the Winning Bid Value. Rank order these Qualified Bids in order of their Unit Bid Value from highest to lowest. Allocate the Capacity Release Request capacity first to the Maximum Bid Volume of each Qualified Bid with the highest Unit Bid Value; allocate any remainder to the Maximum Bid Volume of each Qualified Bid with the next highest Unit Bid Value; and so forth. If, at any step, the available Capacity Release Request capacity is less than the combined Maximum Bid Volumes of Qualified Bids with equal Unit Bid Values, then the Capacity Release Request capacity shall be allocated on a pro rata basis to each Qualified Bid based on its Maximum Bid Volume. To the extent such a pro rata allocation would result in a capacity allocation to one or more Qualified Bid(s) below its Minimum Bid Volume, then such below-minimum Qualified Bids shall be discarded in their entirety and the Capacity Release Request capacity shall instead be allocated on a pro rata basis (based on the Maximum Bid Volume of each Qualified Bid) among the remaining Qualified Bid(s).

(3) In the event that the previous Section 13.10(d) (2) pro rata allocation procedure does not result in a single winning combination of Qualified Bid(s) with the Winning Bid Value, then Section 13.10(d) (2) shall be disregarded and the winning Qualified Bid(s) shall be determined in the following manner:

(A) Identify the highest individual Maximum Bid Volume for a Qualified Bid which, alone or in combination with other Qualified Bid(s), can create the Winning Bid Value. Discard all Qualified Bid combinations which do not contain a Qualified Bid with such highest Maximum Bid Volume. Identify the highest volume which can be allocated to such Qualified Bid with such highest Maximum Bid Volume in the remaining combinations and still have the Winning Bid Value. Discard all combinations of Qualified Bid(s) which do not contain the highest such volume allocation. If this does not break the tie, then repeat the above procedure looking to the next highest Maximum Bid Volume, with the highest volume allocated thereto, within each remaining combination of Qualified Bid(s) with a Winning Bid Value; and so forth, until the tie is broken or all Qualified Bids in the remaining combinations are reviewed.

(B) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume and the highest volume allocated to such Qualified Bid, and identify which such Qualified Bid has the lowest Minimum Bid Volume. Discard all combinations which do not contain such Qualified Bid. If this does not break the tie, repeat the above procedure looking to the next highest Maximum Bid Volume, with the lowest Minimum Bid Volume, within each remaining combination of Qualified Bid(s) with the Winning Bid Value; and so forth, until the tie is broken or all Qualified Bid(s) in the remaining combination are reviewed.

(C) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume. The combination containing such Qualified Bid that Transporter's DART system shows was submitted and received earliest by the DART system (or if DART is not available and the Qualified Bid was submitted in writing, the time Transporter received the Qualified Bid) shall be the winning combination. The next highest Maximum Bid Volume within each remaining combination shall be used as necessary pursuant to the above first come, first served rule to break any remaining ties; and so forth as necessary to break any remaining ties.

(4) In no event shall the combination of winning Qualified Bid(s) result in a total Bid Value less than the highest possible total Bid Value achievable from a combination of Qualified Bid(s) consistent with the Qualified Bids, the Capacity Release Request and this Section 13.

(5) The Qualified Bid(s) allocated capacity under Sections 13.10(c) or 13.10(d) shall be winning Qualified Bid(s) to the extent of such capacity allocations.

(6) Here are examples of the application of Section 13.10(d):

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EXAMPLE (1) Assume:

Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	Maximum Bid Volume -----	Term -----	Unit Bid Value -----	Minimum Bid Volume -----
Bid (a)	20,000/day	5 years	\$.18	0
Bid (b)	10,000/day	5 years	\$.17	0
Bid (c)	85,000/day	5 years	\$.15	0

Winning Qualified Bids: There is only one combination of bids with the highest possible total Bid Value (Winning Bid Value). Therefore, Bid (a) receives its Maximum Bid Volume (20,000); Bid (b) receives its Maximum Bid Volume (10,000); Bid (c) receives 70,000.

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EXAMPLE (2) The assumptions remain the same as in Example (1),
except that we assume that Bid (c) has a Minimum Bid
Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids
with the Winning Bid Value. Therefore, Bid (c) receives its Maximum
Bid Volume (85,000) plus Bid (a) receives 15,000.

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EXAMPLE (3) The assumptions remain the same as in Example (1),
except that we assume that Bid (a) has a Minimum Bid
Volume of 20,000 and Bid (c) has a Minimum Bid Volume
of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids
with the Winning Bid Value. Therefore, Bids (b) and (c) each receive
their Maximum Bid Volumes. This combination leaves 5,000
unallocated, which stays with the Releasing Shipper.

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EXAMPLE (4) Assume:

Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
	-----	-----	-----	-----
Bid (a)	60,000/day	5 years	\$.18	0
Bid (b)	60,000/day	5 years	\$.18	0
Bid (c)	70,000/day	5 years	\$.18	45,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 years	\$.17	0

Winning Qualified Bids: Bid (a) receives 30,000; Bid (b) receives 30,000; Bid (d) receives 25,000; and Bid (e) receives 15,000.

Explanation: There are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Each Bid has the same Unit Bid Value. There is insufficient capacity being released to provide all the Maximum Bid Volumes for Bids (a), (b), (c), (d) and (e). Pursuant to Section 13.10(d)(2), a pro rata allocation is attempted. This would result in each bidder receiving 100/270 of its Maximum Bid Volume. In the case of Bid (c), Bid (c) would receive 70,000 (100/270) = 25,925 Dth. Since this figure is below Bid (c)'s Minimum Bid Volume of 45,000, Bid (c) must be discarded. Bids (a), (b), (d) and (e) are able to be allocated capacity based on a 100/270 pro rata factor. With Bid (c) discarded, the pro rata allocation factor is now 100/200 (i.e., one-half) so that Bids (a), (b), (d), and (e) each receive half of their Maximum Bid Volumes. Bid (c) receives zero (0) because its Minimum Bid Volume was too high for the initial pro rata allocation.

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EXAMPLE (5) Assume:

Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
	-----	-----	-----	-----
Bid (a)	60,000/day	5 years	\$.18	60,000
Bid (b)	60,000/day	5 years	\$.18	50,000
Bid (c)	70,000/day	5 years	\$.18	65,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 years	\$.17	0

Winning Qualified Bids: Bid (c) receives 70,000. Bid (d) receives 30,000.

Explanation: Again, there are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Pro rata allocation won't work, because each Bid would receive 100/270 of the capacity; only Bids (d) and (e) have low enough Minimum Bid Volumes for a pro rata allocation, and the sum of Bid (d)'s and Bid (e)'s Maximum Bid Volumes is less than 100,000. Under Section 13.10(d)(3)(A), we then look to the combinations of Bid(s) (a), (b), (c), (d) and (e) to identify the Bid with the highest Maximum Bid Volume. This is Bid (c). We allocate the highest volume to Bid (c) consistent with creating the Winning Bid Value, so 70,000 is allocated to (c). This leaves 30,000 to be allocated. Bids(a) and (b) have the next highest Maximum Bid Volume (60,000), but the Minimum Bid Volumes of Bids (a) and (b) are each too high to receive the remaining capacity. The next highest available Maximum Bid Volume is in Bid (d), which is allocated the remaining capacity of 30,000.

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EXAMPLE (6) The assumptions remain the same as in Example (5),
except that we assume that Bids (c) and (d) were never
made.

Winning Qualified Bids: Bid (b) receives 60,000. Bid (e) receives
30,000. Bid (f) receives 10,000.

Explanation: There are two combinations of Qualified Bids with the
Winning Bid Value:

Combination 1	Combination 2
-----	-----
Bid (a): 60,000	Bid (b): 60,000
Bid (e): 30,000	Bid (e): 30,000
Bid (f): 10,000	Bid (f): 10,000

(Pro rata allocation pursuant to Section 13.10(d)(2) between Bids
(a), (b) and (e) doesn't work, because only Bid (e) has a low enough
Minimum Bid Volume to accept 100/150 capacity allocation and Bid (e)
alone cannot create the Winning Bid Value). Under Section
13.10(d)(3)(A), we compare Combinations 1 and 2 for the highest
individual Maximum Bid Volumes, and find them all equal. Under
Section 13.10(d)(3)(B), the tie breaker goes to the Winning Bid Value
combination containing the Qualified Bid having the highest Maximum
Bid Volume and the lowest Minimum Bid Volume. In this case, Bid (b)
has the same (highest) Maximum Bid Volume as Bid (a) but a lower
Minimum Bid Volume. Therefore, Combination 2 wins.

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EXAMPLE (7) Assume:

Capacity Release Request = 100,000/day for 5 years

Qualified Bids (which were all received through the DART system):

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
	-----	-----	-----	-----
Bid (a)	50,000/day	5 years	\$.18	50,000
Bid (b)	50,000/day	5 years	\$.18	50,000
Bid (c)	50,000/day	5 years	\$.18	50,000

Winning Qualified Bids: The two Qualified Bids shown as received earliest by Transporter's DART system shall each receive their Maximum Bid Volume.

Explanation: Clearly, any two Bids in combination have the same Winning Bid Value. Since the Bids are completely inflexible and have equivalent Maximum Bid Volumes and equivalent Minimum Bid Volumes, only Section 13.10(d)(3)(C) can be used to break the tie. The tie breaker looks to the Qualified Bid(s) shown as received earliest on Transporter's DART system.

=====

(e) In no event shall this Section 13.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release Request.

(f) The bid evaluation procedure set forth in this Section 13.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on a percentage of Transporter's reservation charge shall be evaluated by Transporter based solely on the maximum reservation charge being charged by Transporter for such service as of the end of the open season.

(g) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 13.10, which procedure must comply with Section 13.5, Transporter shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 13.5(a).

13.11 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of capacity under this Section 13 is posted, Transporter shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to Transporter awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

13.12 COMPLETED TRANSACTIONS

By 5:00 p.m. Central Clock Time after capacity has been awarded, Transporter shall post on its DART system the name(s) of the winning Qualified Bidder(s), identification of the winning Qualified Bid(s) and any minimum bid conditions held confidential during the open season. The Releasing Shipper is responsible for reviewing the Qualified Bids to ensure that the released capacity was correctly awarded. The Releasing Shipper shall notify Transporter of any error in the award of capacity within one business day after such posting on the DART system. In the event of an error, the capacity shall be reawarded by Transporter. As between Transporter and the Releasing Shipper, the Releasing Shipper shall indemnify and hold Transporter harmless as to any costs, damages or expenses relating to the bid evaluation procedure for which timely notice of an error was not provided to Transporter by the Releasing Shipper hereunder. Transporter shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

13.13 BILLING

(a) Transporter shall bill the Replacement Shippers and the Subreplacement Shippers the rate(s) specified in the Released Firm Transportation Agreements and any other applicable charges and each such Replacement Shipper and Subreplacement Shipper shall pay the billed amounts directly to Transporter. Transporter shall have the right to discount the commodity rates under the Released Firm Transportation Agreement. Transporter will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Federal Energy Regulatory Commission.

(b) A Releasing Shipper shall be billed the reservation charge associated with the entire amount of released capacity pursuant to its contract rate, which includes all non-commodity based charges under Transporter's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (1) commodity charges; (2) scheduling charges or cashouts of imbalances; and (3) add-on charges and surcharges applicable to Transporter's commodity rates under Transporter's Tariff such as ACA, Fuel Gas and Unaccounted For Gas, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.

(c) If a Replacement Shipper or Subreplacement Shipper does not make payment to Transporter of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, Transporter shall bill the Releasing Shipper(s) from whom such Replacement or Subreplacement Shipper received the capacity for the amount(s) due, including all applicable late charges authorized by Transporter's Tariff, and such amount shall be paid by such Releasing Shipper within ten (10) days of the receipt of such billing, or interest shall continue to accrue. In the event that the Replacement or Subreplacement Shipper has not paid such amount(s) due by the end of such ten (10) day period, then: (1) the Releasing Shipper has the right to recall the capacity; and (2) Transporter's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. Transporter shall make a reasonable effort to collect from the Replacement/Subreplacement Shipper the amount(s) due. Such reasonable effort shall not include incurring costs from outside attorneys, collection agents or other third parties.

(d) All payments received from a Replacement or Subreplacement Shipper shall first be applied to reservation charges, then to late charges on reservation charges, then to scheduling charges and cashout amounts, then to late charges not on the reservation charges, and then last to commodity-based charges. Payments by Replacement or Subreplacement Shippers in excess of the total amount(s) due for the Released Firm Transportation Agreement capacity shall be a credit applied to any outstanding balance owed under any contract with Transporter, or a refund if requested in writing and no such outstanding balance exists.

13.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS

All Replacement and Subreplacement Shippers shall nominate and schedule natural gas for service hereunder directly with Transporter in accordance with the applicable procedures set forth in Section 16 of these General Terms and Conditions. In order for any capacity recall or capacity reput to be effective for a day, a Releasing Shipper must give prior notice of such recall or reput and any allocation of the capacity for a partial recall or reput to Transporter, and to the Replacement Shipper or Subreplacement Shipper from which the capacity is recalled or to whom the capacity is reput, no later than 8:00 a.m. Central Clock Time on the day the regularly-scheduled nomination for service related to the recalled capacity is due under Section 6 of each of the Rate Schedules. All recalls and reputs shall be effective as of the

start of a day, must be for a term of at least one full day (i.e., there are no partial day recalls or reputs) and must be consistent with the procedures set forth in the Capacity Release Request and this Tariff. In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall or reput, or the status of the holder of the capacity rights, Transporter shall be entitled to conclusively rely on any notice provided by the Releasing Shipper. The Original Shipper, Replacement Shipper and/or Subreplacement Shipper involved in any such dispute shall indemnify and hold Transporter harmless from any costs, damages or expenses relating to Transporter's reliance on such notice.

13.15 QUALIFICATION FOR PARTICIPATION IN THE CAPACITY RELEASE PROGRAM

(a) Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 13. A person cannot bid for services which exceed its pre-qualified level of creditworthiness. Transporter shall process--and encourage--applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.

(b) Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter of credit, security interest or guarantee satisfactory to Transporter as further set forth in these General Terms and Conditions.

(c) Based on Transporter's continuing review of a Shipper's financial records, Transporter shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.

(d) Transporter's determination of a Shipper's creditworthiness is solely for Transporter's purposes under Transporter's Tariff and such determination is neither a representation nor a guarantee to a Releasing Shipper or any other entity as to the ability of a Replacement or Subreplacement Shipper to pay any outstanding amount under a Released Firm Transportation Agreement.

13.16 COMPLIANCE BY SHIPPER

By acquiring released capacity, a Shipper agrees that it will comply with all provisions of Transporter's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to Transporter for compliance with all applicable terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

13.17 OBLIGATIONS OF RELEASING SHIPPER

(a) The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with Transporter. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with Transporter effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is repute to the Replacement or Subreplacement Shipper, in accordance with this Section 13.

(b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 13.

13.18 CONVERSIONS BETWEEN MONTHLY AND DAILY RESERVATION RATES

For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to five (5) decimal places and rounding up or down to Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of months in rate period, dividing the result by number of days in rate period and taking the remainder out to five (5) decimal places and rounding up or down to Transporter's specified decimal place.

ARTICLE XIV

DESCRIPTIVE HEADINGS

14. The descriptive headings of the provisions of this Agreement and of these General Terms and Conditions are formulated and used for convenience only and shall not affect the meaning or construction of any such provision.

ARTICLE XV

COMPLIANCE PLAN FOR TRANSPORTATION SERVICES AND
AFFILIATE TRANSACTIONS

15.1 The operating personnel and facilities shared by Caprock and its marketing affiliate(s):

David M. Carmichael	President
William P. Conner	Senior Vice President, Chief Financial Officer, Assistant Secretary and Treasurer
Thomas W. Pounds	Senior Vice President, General Counsel, Secretary and Assistant Treasurer
Michael T. Fadden	Executive Vice President, Marketing, Supply and Transportation & Exchange
C. Wendell Creamer	Senior Vice President, Operations and Engineering
K. Craig Davis	Vice President, Gas Supply
Thomas H. Fanning	Vice President, Chief Accounting Officer and Controller
Robert Panico	Vice President, Transportation and Exchange
Bernard J. Widacki	Vice President, Gas Marketing
M. James McFarland	Vice President, Off-System Marketing and Liquids Sales
James H. Lytal	Vice President
William H. Spahr	Vice President, Human Resources

Caprock shares office space and computer systems with marketing entities which are affiliated with Caprock through a common parent corporation or sister companies.

Additionally, these marketing entities utilize Caprock's systems for transportation.

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

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

15.2 The information and format required from a Shipper for a valid request for transportation service or amended service, including transactions in which an affiliated marketer is involved, are contained in this Tariff.

15.3 The procedures used to address and resolve complaints by Shippers and replacement shippers are as follows:

(A) Caprock will endeavor to respond to and/or resolve telephone inquiries/complaints, on an informal basis, concerning requested and/or furnished transportation service, promptly and adequately, in the order received. If, however, a Shipper or replacement shipper finds the informal response inadequate for resolution of Shipper's concerns or questions and elects to file a formal complaint, the procedures set forth below should be followed.

(B) Formal complaints by any Shipper or replacement shipper should clearly state the issue(s) and facts relied on by the Shipper.

Upon receipt by Caprock, a formal complaint will be recorded in the Transportation Service Complaint Log maintained by its Transportation and Exchange Department, and a written acknowledgement of receipt, reiterating the nature of the complaint and identifying the Caprock representative assigned to respond to the complaint, will be mailed by registered or certified mail to complainant. Caprock will respond to formal complaints by telephone within 48 hours of receipt and by letter within 30 days of receipt.

Caprock will make every effort to address and resolve complaints in the order received but final resolution will be dependent upon the nature of the complaint and the time necessary to investigate the complaint, verify the underlying cause(s) and determine the relevant facts.

If a complaint is determined to be based on a misunderstanding of Caprock's policies and procedures as set forth in its Tariff and/or published notices to Shippers, the resolution of the complaint will be handled by telephone and appropriately documented in the Transportation Service Complaint Log. If, upon investigation, it is determined that Caprock erred in applying its policies and procedures, remedial action acceptable to both Caprock and complainant will be documented in writing, signed by both parties and filed in the Transportation Service Complaint Log.

15.4 The procedures used by Caprock to inform affiliated and nonaffiliated shippers and replacement shippers on the availability and pricing of transportation services are as follows:

(A) Inquiries as to the availability of service on Caprock's system are to be directed to its Transportation and Exchange Department and are generally responded to by telephone at which time the Shipper or replacement shipper is informed verbally of the availability and pricing of transportation service(s).

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FERC Docket: TM94-1-84-000

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

(B) Once a Shipper has an Agreement with Caprock, Shipper will be sent all Notices to Shippers announcing subsequent rate discounts available to all similarly-situated shippers as such notices are published, and under the requirements of rule 2010 of the FERC's Rules of Practice and Procedure are served with copies of any Caprock filings proposing changes in rates for and types of transportation service available. Shippers are subsequently sent copies of revised sheets to Caprock's Tariff as such sheets are approved and made effective by the FERC.

(C) Caprock has established a 24-hour "electronic bulletin board," to which any Shipper or replacement shipper may subscribe, on which information concerning the availability and pricing of transportation services, including all currently effective rates and discount notices, is posted. Additional information as required by Section 284.243(d) related to capacity at delivery points, at redelivery points and whether capacity is available directly from the pipeline or through capacity release will be posted. Telephone Enernet at (713) 939-5800 for subscription information.

15.5 Caprock will maintain a log containing the following information on all requests for transportation service made by nonaffiliated Shippers or in which a nonaffiliated Shipper is involved from the time the information is received until December 31, 1993, or any extension thereof authorized by the FERC. As to transportation service for affiliated marketers or in which an affiliated marketer is involved, a valid request for transportation service, as provided in paragraph 15.6 of this Section, shall also include the following information:

- (A) The date of receipt of the request;
- (B) The date that the request was accepted as valid;
- (C) The specific affiliation of the requester with Caprock, and the extent of Caprock's affiliation, if any, with the person to be provided transportation service;
- (D) The extent of the supplier's affiliation with Caprock;
- (E) The identity of the Shipper making the request for service including designating whether the Shipper is a local distribution company, an interstate pipeline, an intrastate pipeline, an end-user, a producer, or a marketer;
- (F) The maximum daily contract volume of gas requested to be transported and the total contract volume of gas requested to be transported over the life of the contract;
- (G) The producing area of the source of the gas requested to be transported;
- (H) The date service is requested to commence and terminate;
- (I) A list of all delivery and redelivery points between which the gas is requested to be transported and the distance between the receipt point and the delivery point that are the furthest apart;

Original Sheet No. 29 Original Sheet No. 29 : Effective

- (J) Whether the service requested is firm or interruptible;
- (K) The state in which the ultimate end-user of the gas is located;
- (L) The identity of the transportation rate schedules and the transportation rates applicable for such service;
- (M) Whether any of the gas being transported is subject to take-or-pay relief and, if so, how much;
- (N) Whether and by how much the cost of the gas to the affiliated marketer exceeds the price received for the sale of the gas by the affiliated marketer, after deducting associated costs, including those incurred for transportation; i.e., whether the gas is being sold at a loss;
- (O) Current status of the request, including whether the request is:
 - (i) Incomplete,
 - (ii) Complete and awaiting service,
 - (iii) Complete, a contract signed, and awaiting commencement of service,
 - (iv) Complete, service has begun and the FERC docket number assigned to the transaction,
 - (v) Withdrawn, or
 - (vi) Denied and the reason why;
- (P) The position of the request in the transportation request queue;
- (Q) The disposition of the request, including the date the requester was notified of availability of capacity, the date the contract was executed, the date service actually commenced, and any explanation concerning the disposition of the request;
- (R) Any complaints by the Shipper or end user concerning the requested or furnished service and the disposition of such complaints; and
- (S) Whether the transportation is being requested, offered or provided at discounted rates, duration of the discount requested, offered or provided, the maximum rate or fee, the rate or fee actually charged during the billing period, the Shipper, corporate affiliation between the Shipper and Caprock, and the quantity of gas scheduled at the discounted rate during the billing period for each redelivery point.
- (T) Caprock will comply with all parts of the FERC's marketing affiliate regulations codified at 18 C.F.R. Part 161.

Effective Date: 08/01/1999 Status: Effective
FERC Docket: RP99-398-004

Third Sub Sixth Revised Sheet No. 29A Third Sub Sixth Revised Sheet No. 29A : Effective
Superseding: Second Sub. Sixth Revised Sheet No. 29A

15.6 COMPLIANCE WITH 18 C.F.R. SECTION 284.10

Transporter and Shipper shall comply with the business practice and electronic communication standards incorporated by reference in Section 284.10 of the Commission's Regulations (18 C.F.R. Section 284.10) as listed below:

(a) Nominations, Confirmations and Scheduling (Version 1.3):

1.1.17 to 1.1.19, 1.2.1, 1.2.2, 1.2.5, 1.2.8 to 1.2.11, 1.3.2(vi), 1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.23 to 1.3.25, 1.3.26, 1.3.27 to 1.3.28, 1.3.29, 1.3.30 to 1.3.31, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39 to 1.3.44, 1.3.45, 1.3.46, 1.4.1 to 1.4.5, 1.4.6, 1.4.7

(b) Flowing Gas (Version 1.3):

2.1.4, 2.2.1, 2.3.1, 2.3.3, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.12, 2.3.15, 2.3.17, 2.3.19, 2.3.20 to 2.3.25, 2.3.27, 2.3.28, 2.4.1 to 2.4.5, 2.4.6

(c) Invoicing (Version 1.3):

3.3.1 to 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10 to 3.3.13, 3.3.16 to 3.3.18, 3.3.20 to 3.3.21, 3.3.22, 3.4.1 to 3.4.3, 3.4.4

(d) Electronic Delivery Mechanisms (Version 1.3):

4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1 to 4.3.3, 4.3.5, 4.3.6 to 4.3.15, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35

(e) Capacity Release (Version 1.3):

5.2.1, 5.3.1, 5.3.3, 5.3.5, 5.3.8, 5.3.9 to 5.3.12, 5.3.13, 5.3.14, 5.3.17 to 5.3.18, 5.3.20 to 5.3.24, 5.3.26 to 5.3.29, 5.3.30, 5.4.1 to 5.4.17

Transporter has adopted the Gas Industry Standards Board Model Partner Agreement for use with all Shippers.

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FERC Docket: RP97-139-001

First Revised Sheet No. 30 First Revised Sheet No. 30 : Effective
Superseding: Original Sheet No. 30

15.7 Transportation Service Request Form

CAPROCK PIPELINE COMPANY

TRANSPORTATION SERVICE REQUEST FORM

Federal Energy Regulatory Commission record and reporting requirements and Caprock's FERC Gas Tariff require prospective Shippers and releasing Shippers requesting amended service to furnish the information below prior to Caprock's processing a request.

Return this completed FORM to:

Caprock Pipeline Company
333 Clay Street
Suite 2000
Houston, TX 77002

(PLEASE TYPE OR PRINT)

SHIPPER INFORMATION

1. Legal Name of Shipper _____
2. Shipper's Address: _____
P.O. Box _____
Street _____
City/State/Zip _____
3. Name of Requesting Party: _____
Title: _____
Phone: _____

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Original Sheet No. 30A Original Sheet No. 30A : Effective

If employed by other than Shipper, please specify
Requesting Party's:

Company Name _____
P.O. Box _____
Street _____
City/State/Zip _____

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FERC Docket: RP97-139-001

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

4. Shipper is (check one of the following):

- | | |
|---|---|
| a. <input type="checkbox"/> Interstate Pipeline | e. <input type="checkbox"/> End-User |
| b. <input type="checkbox"/> Intrastate Pipeline* | f. <input type="checkbox"/> Producer |
| c. <input type="checkbox"/> Local Distribution Company* | g. <input type="checkbox"/> Marketer |
| d. <input type="checkbox"/> Hinshaw Pipeline* | h. <input type="checkbox"/> Other (Specify) _____ |

*State(s) in which Shipper's gas system facilities are located:

5. This request is for (check one): New Service
 Amended Service Under
Contract # _____

If the request is for new service, please skip the Amended Service Request section. If the request is for amended service, please complete the Affiliate Information and Amended Service Request sections only.

SERVICE/CONTRACT INFORMATION

1. Type of Transportation Service Requested (check one):
 Firm
 Interruptible
 Other
2. Date service is requested to commence: _____
Date service is requested to terminate: _____
Evergreen term requested: Yes No
3. Maximum daily contract quantity requested :
_____ Dth/d

If service is requested for a term of more than 120 days, what quantities are requested to be transported on an:

- | | | |
|--------------|-------|-----|
| Average Day | _____ | Dth |
| Annual Basis | _____ | Dth |
4. Requested Delivery Point(s) and producing area(s) that are the source(s) of gas transported. Please list under Section 1 on attached Exhibit A.

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FERC Docket: RS92- 58-001

Original Sheet No. 32 Original Sheet No. 32 : Effective

5. Requested Redelivery Point(s). Please list under Section 2 on attached Exhibit A.

6. State(s) where gas transported will be consumed ultimately:

7. Notices to: _____

Street or P.O. Box: _____

City, State, Zip: _____

Attention of: _____

Telephone: _____

Telecopy: _____

Invoices to: _____

Street or P.O. Box: _____

City, State, Zip: _____

Attention of: _____

Telephone: _____

Telecopy: _____

8. Name of Shipper's dispatcher for 24-hour contact: _____
Phone: _____ Telecopy: _____

9. Is the gas to be transported subject to take-or-pay relief to Caprock?
_____ Yes _____ No _____ Unknown

If YES, what percentage of total contract quantity? _____ %

RATE INFORMATION

1. Does Shipper request a discounted rate? _____ Yes _____ No

2. If YES, please specify the selectively discounted rate(s) requested and the related service(s):

Original Sheet No. 33 Original Sheet No. 33 : Effective

3. If Caprock is unable or unwilling to provide service at the requested discounted rate, is Shipper willing to pay the maximum rate(s) for the requested service(s) to include any published discounts available to all similarly situated Shippers? Yes
 No

AFFILIATE INFORMATION

1. Is shipper affiliated with Caprock?
 Yes No

If YES, please state specific affiliation: _____

2. Is the Requesting Party (if other than Shipper) affiliated with Caprock?
 Yes No

If YES, please state specific affiliation: _____

3. Is Shipper's or the Requesting Party's supplier affiliated with Caprock?
 Yes No

If YES, please state specific affiliation: _____

4. If gas transported is being purchased from an Caprock affiliate, or if the Requesting Party or Shipper is an Caprock affiliate, does the cost of gas to that affiliate exceed its sales price, less associated costs including transportation expenses, i.e., is the gas being sold at a loss?

If YES, specify amount of loss: _____

AMENDED SERVICE REQUEST

1. Addition of Delivery Point(s) -- Add the Delivery Point(s) identified under Section 1 on Exhibit A to Contract # _____.

Is the gas to be transported from the additional Delivery Point(s) subject to take-or-pay relief to Caprock?

Yes No Unknown

If YES, what percentage of total contract quantity? _____ %

If producing area is different than that reported in Initial Service Request, please so state:

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FERC Docket: RP97-139-001

First Revised Sheet No. 34 First Revised Sheet No. 34 : Effective
Superseding: Original Sheet No. 34

2. Addition of Redelivery Point(s) -- Add the Redelivery Point(s) identified under Section 2 on Exhibit A to Contract # _____.

(Note: addition of new Redelivery Point(s) and end users generally will result in a new position in the first come/first served queue.)

State(s) in which the gas transported to the additional Redelivery Point(s) will ultimately be consumed: _____

3. Increase the maximum daily contract quantity under Contract # _____ to : _____ /d. (Note an increase in the new position in the first come/first served queue).
4. Does Shipper request that service under Contract # _____ be converted from Subpart B to Subpart G service?
(check one)
_____ Yes _____ No
5. Other required service change(s): _____

Shipper hereby certifies that it has or will have title to the gas delivered to Caprock for transportation and has entered into or will enter into arrangements necessary to assure all upstream and downstream transportation will be in place prior to commencement of service.

Shipper also certifies that the information herein is complete and accurate to the best of Shipper's knowledge, information and belief.

Legal Name of Shipper: _____

By: _____
(Name and Title)

Date: _____

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-139-001

First Revised Sheet No. 35 First Revised Sheet No. 35 : Effective
Superseding: Original Sheet No. 35

CAPROCK PIPELINE COMPANY

TRANSPORTATION SERVICE REQUEST FORM

EXHIBIT A

SECTION 1

Requested Delivery Point(s)	Maximum Daily Volume	Total Volume (Over Term)
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth

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Superseding: Original Sheet No. 36
CAPROCK PIPELINE COMPANY

TRANSPORTATION SERVICE REQUEST FORM

EXHIBIT A

SECTION 2

Requested Redelivery Point(s)	Maximum Daily Volume	Total Volume (Over Term)
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth
_____	_____ Dth/d	_____ Dth

Effective Date: 08/01/1999 Status: Effective
FERC Docket: RP99-398-000

Fourth Revised Sheet No. 37 Fourth Revised Sheet No. 37 : Effective
Superseding: Substitute Third Revised Sheet No. 37

GENERAL TERMS AND CONDITIONS

ARTICLE XVI

NOMINATIONS, CONFIRMATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

16.1 NOMINATIONS. If Shipper desires transportation of gas on any day under this Rate Schedule, Shipper shall comply with the following nomination procedures. Any nominations received after a nomination deadline shall be scheduled after nominations received before that nominations deadline. All nominations must be submitted electronically or in written form unless Transporter waives such requirement on a non-discriminatory basis. The standard quantity of nominations, confirmations and scheduling is dekatherms per gas day. For reference, 1 dekatherm=1,000,000 Btus; 1 gigajoule = 1,000,000,000 joules; 1 gigacalorie = 1,000,000,000 calories. The standard conversion factor between dekatherms and Gigajoules is 1.055056 Gigajoules per dekatherm, and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm.

- (a) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).
- (b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).
- (i) Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on Transporter to receive notice that it is being bumped should be effective at 9:00 a.m. on the gas Day; and when an Evening Nomination causes another Service Requester on Transporter to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the gas Day.

GENERAL TERMS AND CONDITIONS, continued

- (c) The Intra-day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas Day). Scheduled quantities resulting from Intra-day 1 Nominations should be effective at 5:00 p.m. on the gas Day.
 - (d) The Intra-day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the gas Day). Scheduled quantities resulting from Intra-day 2 Nominations should be effective at 9:00 p.m. on the gas Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.
 - (e) For purposes of Section 16.1 (b)(c) and (d), "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.
- 16.2 Include in the nomination the daily quantity of gas to be received by Transporter (including Shipper's transportation volumes and Btu levels, overrun volumes, any volumes to satisfy past imbalances, and any Fuel Reimbursement Quantity for volumes at each specified Receipt Point), receipt points (primary and/or secondary), Shipper defined beginning and ending dates, and the daily quantity to be delivered by Transporter at each specified delivery point (primary and/or secondary) on the desired gas day, but no sooner than the following day. All nominations, including intra-day nominations, should be based on daily quantity,

SCHEDULING OF RECEIPTS AND DELIVERIES, cont.

thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations should include an effective date and time. The interconnected parties should agree on the hourly flow of the intra-day nomination, if not otherwise addressed in the Service Agreement or Transporter's Tariff. All nominations, excluding intra-day nominations, have rollover options. Specifically, Shippers have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of the Shippers Service Agreement. Intra-day nominations do not rollover nor do they replace the remainder of a standing nomination. There is no need to re-nominate if an intra-day nomination modifies an existing nomination. The total receipt nominations less any Fuel Reimbursement Quantity and other deductions must equal the equivalent thermal quantity of either nominations for actual delivery or delivery into an Aggregation Pool. Overrun volumes may be nominated as a separate transaction.

16.3 CONFIRMATIONS

- (a) Default confirmation procedures are as follows:
 - (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will 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 will be the new confirmed quantity.

GENERAL TERMS AND CONDITIONS, continued

- (ii) With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity will be the new confirmed quantity.
- (iii) With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity will be the new confirmed quantity. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
- (iv) With respect to 16.3 (a) (i), (ii), and (iii), if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider will provide the Service Requester with the following information to explain why the nomination failed, as applicable:
 - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
 - (5) 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 will be imparted to the Service Requester on the Scheduled Quantity document.

GENERAL TERMS AND CONDITIONS, continued

16.4 INTRA-DAY NOMINATIONS

- (a) An "Intra-Day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle whose effective time is no earlier than the beginning of the gas day and which runs through the end of that gas day.
- (b) Transporter supports the nomination cycles set forth at Section 16.2 during non-Critical Times. During Critical Times, valid intra-day nominations may be submitted at any time.
- (c) Transporter will provide notification of bumped volumes through the Scheduled Quantity Document, its EBB, telephone, and facsimile. During non-Critical Times, Transporter will waive daily penalties applicable to bumped volumes on the day of the bump. Transporter will also waive penalties if it fails to provide appropriate notice of the bump.
- (d) There is no limitation as to the number of intra-day nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

16.5 END-OF-GAS-DAY SCHEDULED QUANTITY DOCUMENT. At the end of each gas day, Transportation Service Providers should provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transportation Service Providers should send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive the sender's sending of the end of gas day Scheduled Quantity document.

16.6 Provide contract numbers for both upstream and downstream parties, if known, and each nominated receiving or delivering Aggregation Pool.

16.7 Nominate no more than one transportation rate per nomination.

16.8 TRANSFER NOMINATIONS

Whenever gas is purchased at a Receipt Point (including a Pooling Point) on Transporter's system by an entity that is not going to nominate that gas for receipt by Transporter under a Transportation Agreement, that entity must submit a transfer nomination to Transporter through DART (or EDI), identifying the quantities (in Dth) and the entities to whom the gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations, subject to Section 16. In addition to the transfer nomination, the purchasing entity should submit a predetermined allocation in accordance with Section 3 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's gas.

16.9 NOMINATION PRIORITIES

As part of the nomination and transfer nomination process, if there is more than one supply source nominated to be delivered to a single Delivery Point or buyer, the nomination or transfer nomination should identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination or transfer nomination should identify which delivery should be cut in the event gas is not or cannot be received as nominated (i.e., ranking). Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.

17. DIRECT ACCESS REQUEST AND TRACKING SYSTEM (DART)

17.1 DESCRIPTION OF DART

(a) Transporter maintains a twenty-four (24) hour interactive electronic system, the Direct Access Request and Tracking System (DART). DART is available for use by all Shippers and other interested parties upon request and at no charge. The DART system provides on-line help and interactive search functions permitting users to locate a specific transaction. Additionally, it provides customers the ability to download a file from DART or to split files into smaller files prior to such download. Daily back-up records of the information displayed on DART will be archived and accessible to customers on a non-discriminatory basis. The data will be kept for a rolling three (3) year period, inclusive of both current and archived data.

(b) The DART system provides access to a variety of features including Information Postings and Planning Tools, Nominations, Volume Inquiry, Contract Request Processing, Capacity Release Request and Bid Processing, Discount Request Processing and FERC 497.

(1) INFORMATION POSTINGS AND PLANNING TOOLS

The types of information available through the Information Postings and Planning Tools on DART include: (i) reports on operationally available capacity, unsubscribed capacity, and released capacity at Receipt/Delivery Points and on the mainline; (ii) information on construction and maintenance projects impacting capacity; (iii) imbalance volumes available for trading among Shippers prior to cashout; (iv) firm and interruptible rates and fuels, including general discount offers; (v) catalog of currently active Receipt and Delivery Points; (vi) general announcements and procedures, including Operational Flow Orders;

(2) NOMINATIONS

This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 16.

(3) VOLUME INQUIRY

This feature provides volumetric information on total gas flows and allocated flows, at a point and contract level. The timing for reporting daily operational allocations after the gas has flowed is within one (1) Business Day after the end of the gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Each Shipper and each other entity involved in a transaction at a point will be able to see the total flows at the point and the volumes allocated to or by such Shipper or other entity.

(4) CONTRACT REQUEST PROCESSING

Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements.

(5) CAPACITY RELEASE REQUEST AND BID PROCESSING

This interactive feature allows Shippers to submit Capacity Release Requests and Bids, which, in turn, are automatically posted to DART as provided in Section 13. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

(6) FERC 497 SYSTEM

This system contains the information required in FERC Form No. 592 for all requests for service made by affiliated marketers or in which an affiliated marketer is involved for transportation or storage, that would be conducted pursuant to Subparts B or G of Part 284 of the Commission's Regulations. The FERC 497 System also contains any other related information required under the Commission's Regulations.

17.2 ACCESS TO DART

Shippers and other interested parties may obtain access to the DART system by contacting a representative of Transporter's Gas Transportation Department in Houston. Logons, passwords and access instructions will be supplied upon request under the following terms and conditions set forth in Sections 17.3 through 17.12.

17.3 AUTHORITY

Users of the DART software (Subscribers) shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access DART shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

17.4 INSTALLATION

Each Subscriber shall purchase and ensure that lawful installation of the designated commercially available Internet Browser software required to access DART (Microsoft Internet Explorer, Netscape Navigator) is installed on each personal computer accessing DART. Independent Computing Architecture (ICA) plug-in must be downloaded to each personal computer accessing DART. Each subscriber must contract with an Internet Service Provider to provide Internet access to DART. The Internet Browser software may be purchased from software vendors and the ICA plug-in may be downloaded at <http://download.citrix.com>.

17.5 CONFIDENTIALITY

DART software and certain information contained in DART is proprietary and confidential. A Subscriber shall not reproduce, disclose or otherwise make available DART software and confidential information contained therein to any other company, corporation, individual, or partnership.

17.6 RELIANCE BY TRANSPORTER

Transporter may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through DART. Transporter may correct errors in information entered into DART by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into DART.

17.7 ACCESS

Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), Transporter will require the Subscriber to provide a written request and officer level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, Transporter will ensure return of a confidential logon code and password within one business day.

17.8 LOGON

A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its DART logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access DART on Subscriber's behalf. A Subscriber and its employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access DART for the Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon and password made subsequent to issuance of the original logon and password may not be honored without receipt by Transporter of additional authorization from Subscriber. Subscriber shall be responsible for and accepts liability for any security breach that is traced to Subscriber's logon and password.

17.9 BREACH OF SECURITY

A Subscriber shall promptly notify Transporter if there is any indication that a security breach has occurred with regard to Subscriber's logon and password. This includes, but is not limited to: (a) loss of confidentiality of logon and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access DART by any authorized employee. Such notification shall be made to Transporter's Gas Transportation Services Department.

17.10 LIMITATION TO ACCESS

A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship.

17.11 LIMITS OF RESPONSIBILITY

Transporter shall not be responsible for an omission or failure by Transporter to act or perform any duty requested by a function accessed via DART if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to Transporter's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of Transporter.

17.12 RESERVATION

Transporter reserves the right to add, modify or terminate DART functions at any time subject to compliance with Commission Regulations.

17.13 AGREEMENT

Any Subscriber who is not a Shipper will be required to sign an agreement with Transporter pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

Effective Date: 09/01/1999 Status: Effective

FERC Docket: RP99-452-000

Original Sheet Nos. 45-49 Original Sheet Nos. 45-49 : Effective

RESERVED FOR FUTURE USE

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

Original Sheet No. 50 Original Sheet No. 50 : Effective

FIRM GAS TRANSPORTATION AGREEMENT

between

"Shipper"

and

CAPROCK PIPELINE COMPANY

Dated: _____, 19____

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

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

FIRM GAS TRANSPORTATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between _____, hereinafter called "Shipper"; and CAPROCK PIPELINE COMPANY, hereinafter called "Caprock";

W I T N E S S E T H :

WHEREAS, Shipper desires to enter into an Agreement with Caprock to provide for the transportation of gas; and

WHEREAS, Caprock is agreeable to transporting such gas on a firm basis for Shipper, in accordance with the terms and conditions hereinafter set forth;

WHEREAS, Caprock and Shipper agree to abide by those General Terms and Conditions on file with the Federal Energy Regulatory Commission ("FERC") as set out in Caprock's FERC Tariff and incorporated herein for all purposes;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually covenant and agree as follows:

ARTICLE I

DELIVERY AND REDELIVERY POINTS

1.1 The Delivery Point(s) at which Shipper may cause gas to be tendered to Caprock for transportation hereunder are described in Exhibit A to this Agreement.

1.2 The Redelivery Point(s) at which Caprock shall deliver thermally equivalent quantities of gas transported hereunder are described in Exhibit B to this Agreement.

1.3 Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A and B by mutual written agreement, which amendments shall be reflected in a revised Exhibit A or B and shall be incorporated by reference as part of this Agreement.

1.4 Delivery and Redelivery Point(s) may be at existing points through which other volumes are being measured; therefor, the measurement of gas under this Agreement may involve the allocation of gas deliveries. Each party hereto will furnish, or cause to be furnished, to the other party hereto all data required to accurately account for all gas delivered and redelivered hereunder.

Effective Date: 06/01/1997 Status: Effective
FERC Docket: RP97-139-001

First Revised Sheet No. 52 First Revised Sheet No. 52 : Effective
Superseding: Original Sheet No. 52

ARTICLE II

QUANTITY

2.1 During the term of this Agreement and subject to the further provisions of this Agreement, Caprock hereby agrees to receive for redelivery to Shipper, or its designee, up to _____ Dth's per day of gas and such additional daily quantities of gas which the parties hereto mutually agree to deliver and receive for transportation hereunder.

2.2 All gas delivered and transported under this Agreement will be accounted for on an Dth basis and Caprock shall redeliver a like number of Dth's as it receives.

ARTICLE III

PRESSURE

3. Shipper or its designee, shall deliver, or cause to be delivered, to Caprock hereunder the gas at pressures sufficient to effect delivery into Caprock's facilities at the Delivery Point(s), however, such pressure shall not exceed maximum allowable operating pressure as specified in Exhibit A. Caprock shall redeliver gas to Shipper, or for the account of Shipper, at pressures sufficient to effect redelivery into the pipeline facilities at the Redelivery Point(s), not to exceed those such pressures specified in Exhibit B.

ARTICLE IV

TRANSPORTATION FEE

4.1 For all gas delivered and redelivered to Shipper, or its designee, at the Delivery/Redelivery Point(s), Shipper shall pay Caprock a transportation fee as set out and provided for in Caprock's FERC Rate Schedule FS for Firm Transportation Service, without regard to whether such Rate Schedule contains rates subject to refund at the time of the service.

4.2 Shipper shall be responsible for all third party transportation charges incurred by Shipper or on its behalf prior to deliveries of volume transported hereunder by Caprock or subsequent to redelivery by Caprock of the volume transported hereinunder.

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

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

4.3 Shipper agrees to reimburse Caprock for all filing fees actually paid by Caprock pursuant to all regulations which are applicable to this Agreement.

ARTICLE V

TERM

5.1 Subject to the other provisions hereof, this Agreement shall be effective as of the date hereof, and shall continue for a period of ____ years from the date of first delivery hereunder. Either party shall have the right at any time, upon ninety (90) days' advance written notice to the other party to terminate this Agreement; provided, however, such termination shall not affect the obligations incurred by either party prior to the effective date of such termination.

5.2 At the termination date, any long-term (one year or longer) firm transportation customers may continue receiving firm service by agreeing to pay up to the maximum rate and matching the length of contract term offered by another customer who requests the service up to a maximum of twenty (20) years.

ARTICLE VI

MISCELLANEOUS

6. This Agreement shall be subject to the General Terms and Conditions of Caprock's Tariff in effect from time to time. In the event of any inconsistency between the provisions of this Agreement and the provisions of the General Terms and Conditions, the provisions of the General Terms and Conditions shall control.

ARTICLE VII

NOTICES

7. Any notice, request, statement, correspondence, or payment provided for in this Agreement shall be given in writing, delivered in person or by United States mail, to the parties hereto at the addresses below, or

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

Original Sheet No. 54 Original Sheet No. 54 : Effective

at such other addresses as may be hereafter furnished by one party to the other party in writing.

Shipper:

Caprock: (Statements & Payments)
Caprock Pipeline Company
ATTN: GAS ACCOUNTING
333 Clay Street, Suite 2000
Houston, Texas 77002

(Other Correspondence)
Caprock Pipeline Company
ATTN: CONTRACT ADMINISTRATION
333 Clay Street, Suite 2000
Houston, Texas 77002

IN WITNESS WHEREOF, this Agreement is executed as of the date first hereinabove written.

"Caprock"

CAPROCK PIPELINE COMPANY

By: _____

Its: _____

"Shipper"

By: _____

Its: _____

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

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

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of CAPROCK PIPELINE COMPANY, a Texas corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 19____.

My Commission Expires: _____
Notary Public in and for
State of Texas

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of _____, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 19____.

My Commission Expires: _____
Notary Public in and for
_____ County, _____

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

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

E X H I B I T A

to

Gas Transportation Agreement

between

CAPROCK PIPELINE COMPANY
"Caprock"

and

"Shipper"

Dated _____, 19__

DELIVERY POINT (S)	MAXIMUM DELIVERY PRESSURE	ATMOSPHERIC PRESSURE
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Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

Original Sheet No. 57 Original Sheet No. 57 : Effective

E X H I B I T B

to

Gas Transportation Agreement

between

CAPROCK PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated _____, 19__

	MAXIMUM	
REDELIVERY POINT(S)	REDELIVERY PRESSURE	ATMOSPHERIC PRESSURE

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

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

Original Sheets No. 58 through No. 70 intentionally left blank.

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

Original Sheet No. 71 Original Sheet No. 71 : Effective

INTERRUPTIBLE GAS TRANSPORTATION AGREEMENT

between

"Shipper"

and

CAPROCK PIPELINE COMPANY

Dated: _____, 19__

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

Original Sheet No. 72 Original Sheet No. 72 : Effective

INTERRUPTIBLE GAS TRANSPORTATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between _____, hereinafter called "Shipper:", and CAPROCK PIPELINE COMPANY, hereinafter called "Caprock";

W I T N E S S E T H :

WHEREAS, Shipper desires to enter into an Agreement with Caprock to provide for the transportation of gas; and

WHEREAS, Caprock is agreeable to transporting such gas on an interruptible basis for Shipper, in accordance with the terms and conditions hereinafter set forth;

WHEREAS, Caprock and Shipper agree to abide by those General Terms and Conditions on file with the Federal Energy Regulatory Commission ("FERC") as set out in Caprock's Tariff and incorporated herein for all purposes;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually covenant and agree as follows:

ARTICLE I

DELIVERY AND REDELIVERY POINTS

1.1 The Delivery Point(s) at which Shipper may cause gas to be tendered to Caprock for transportation hereunder are described in Exhibit A to this Agreement.

1.2 The Redelivery Point(s) at which Caprock shall deliver thermally equivalent quantities of gas transported hereunder are described in Exhibit B to this Agreement.

1.3 Exhibits A and B, attached to this Agreement, are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A and B by mutual written agreement, which amendments shall be reflected in a revised Exhibit A or B and shall be incorporated by reference as part of this Agreement.

1.4 Delivery and Redelivery Point(s) may be at existing points through which other volumes are being measured; therefor, the measurement of gas under this Agreement may involve the allocation of gas deliveries. Each party hereto will furnish, or cause to be furnished, to the other party hereto all data required to accurately account for all gas delivered and redelivered hereunder.

Effective Date: 06/01/1997 Status: Effective
FERC Docket: RP97-139-001

First Revised Sheet No. 73 First Revised Sheet No. 73 : Effective
Superseding: Original Sheet No. 73

ARTICLE II

QUANTITY

2.1 During the term of this Agreement and subject to the further provisions of this Agreement, Caprock hereby agrees to use its best efforts to receive for redelivery to Shipper, or its designee, up to _____ Dth's per day of gas and such additional daily quantities of gas which the parties hereto mutually agree to deliver and receive for transportation hereunder.

2.2 All gas delivered and transported under this Agreement will be accounted for on an Dth basis and Caprock shall redeliver a like number of Dth's as it receives.

ARTICLE III

PRESSURE

3. Shipper or its designee, shall deliver, or cause to be delivered, to Caprock hereunder the gas at pressures sufficient to effect delivery into Caprock's facilities at the Delivery Point(s). Caprock shall redeliver gas to Shipper, or for the account of Shipper, at pressures sufficient to effect redelivery into the pipeline facilities at the Redelivery Point(s), such pressures not to exceed those specified in Exhibit B.

ARTICLE IV

TRANSPORTATION FEE

4.1 For all gas delivered and redelivered to Shipper, or its designee, at the Redelivery Point(s), Shipper shall pay Caprock a transportation fee as set out and provided for in Caprock's FERC Rate Schedule IS for Interruptible Transportation Service, without regard to whether such Rate Schedule contains rates subject to refund at the time of the service.

4.2 Shipper shall be responsible for all third party transportation charges incurred by Shipper or on its behalf prior to deliveries of volume transported hereunder by Caprock or subsequent to redelivery by Caprock of the volume transported hereinunder.

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

Original Sheet No. 74 Original Sheet No. 74 : Effective

4.3 Shipper agrees to reimburse Caprock for all filing fees actually paid by Caprock pursuant to all regulations which are applicable to this Agreement.

ARTICLE V

TERM

5. Subject to the other provisions hereof, this Agreement shall be effective as of the date hereof, and shall continue for a period of _____ months from the date of first delivery hereunder. Either party shall have the right at any time, upon thirty (30) days' advance written notice to the other party to terminate this Agreement; provided, however, such termination shall not affect the obligations incurred by either party prior to the effective date of such termination.

ARTICLE VI

MISCELLANEOUS

6. This Agreement shall be subject to the General Terms and Conditions of Caprock's Tariff in effect from time to time. In the event of any inconsistency between the provisions of this Agreement and the provisions of the General Terms and Conditions, the provisions of the General Terms and Conditions shall control.

ARTICLE VII

NOTICES

7. Any notice, request, statement, correspondence, or payment provided for in this Agreement shall be given in writing, delivered in person or by United States mail, to the parties hereto at the addresses below, or

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

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at such other addresses as may be hereafter furnished by one party to the other party in writing.

Shipper:

Caprock: (Statements & Payments)
Caprock Pipeline Company
ATTN: GAS ACCOUNTING
333 Clay Street, Suite 2000
Houston, Texas 77002

(Other Correspondence)
Caprock Pipeline Company
ATTN: CONTRACT ADMINISTRATION
333 Clay Street, Suite 2000
Houston, Texas 77002

IN WITNESS WHEREOF, this Agreement is executed as of the date first hereinabove written.

"Caprock"

CAPROCK PIPELINE COMPANY

By: _____

Its: _____

"Shipper"

By: _____

Its: _____

Effective Date: 01/01/1993 Status: Effective
FERC Docket: RS92- 58-001

Original Sheet No. 76 Original Sheet No. 76 : Effective

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of CAPROCK PIPELINE COMPANY, a Texas corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 19____.

My Commission Expires: _____
Notary Public in and for
State of Texas

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of _____, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 19____.

My Commission Expires: _____
Notary Public in and for
_____ County, _____

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

Original Sheet No. 77 Original Sheet No. 77 : Effective

E X H I B I T A

to

Gas Transportation Agreement

between

CAPROCK PIPELINE COMPANY
"Caprock"

and

"Shipper"

Dated _____, 19__

DELIVERY POINT (S)

MAXIMUM
DELIVERY PRESSURE

ATMOSPHERIC PRESSURE

Effective Date: 01/01/1993 Status: Effective

FERC Docket: RS92- 58-001

Original Sheet No. 78 Original Sheet No. 78 : Effective

E X H I B I T B

to

Gas Transportation Agreement

between

CAPROCK PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated _____, 19__

REDELIVERY POINT(S)	MAXIMUM REDELIVERY PRESSURE	ATMOSPHERIC PRESSURE
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