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*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 1** Dauphin Island Gathering Partners: Original Volume No. 1  
Original Sheet No. 1 : Effective

F.E.R.C. GAS TARIFF

Original Volume No. 1

of

Dauphin Island Gathering Partners

Filed with the  
FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this Tariff  
should be addressed to:

W. J. White  
Director - Regulatory Affairs  
PanEnergy Dauphin Island Company  
370 17th Street, Suite 900  
Denver, Colorado 80202

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

Original Sheet No. 2 Original Sheet No. 2 : Effective

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Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 3** Substitute Original Sheet No. 3 : Effective  
Superseding: Original Sheet No. 3

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*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 4** Original Sheet No. 4 : Effective

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 5** Original Sheet No. 5 : Effective

PRELIMINARY STATEMENT

Dauphin Island Gathering Partners is a natural gas company subject to the jurisdiction of the Federal Energy Regulatory Commission for the limited purpose of constructing, operating and transporting natural gas through (i) Phase I of the Dauphin Island Gathering System, a 24-inch, approximately 63 mile natural gas pipeline and appurtenant facilities extending from a platform in Main Pass Block 225, offshore Louisiana, to an interconnection with the Dauphin Island Gathering System in Alabama State Tract 73, (ii) the Dauphin Island Gathering System downstream of such interconnection to points onshore in Mobile County, Alabama, and (iii) a 20-inch natural gas pipeline extending from the platform in Main Pass Block 225 to a subsea interconnect with Texas Eastern Transmission Corporation in Main Pass Block 164, offshore Louisiana.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 6** Original Sheet No. 6 : Effective

SYSTEM MAP

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

STATEMENT OF EFFECTIVE TRANSPORTATION RATES

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

	Maximum Rate	Minimum Rate
Rate Schedule		
FT-1 (MP)		
Reservation Rate	\$0.1756	\$0.0000
Commodity Rate	\$0.0000	\$0.0000
FT-2 (MP)		
Reservation Rate	\$0.1756	\$0.0000
Commodity Rate	\$0.0000	\$0.0000
FT-3 (MP)		
Reservation Rate	\$0.1756	\$0.0000
Commodity Rate	\$0.0000	\$0.0000
IT-1 (MP)		
Commodity Rate	\$0.1756	\$0.0000
FT-1 (DI)		
Reservation Rate	\$0.1756	\$0.0000
Commodity Rate	\$0.0000	\$0.0000
FT-2 (DI)		
Reservation Rate	\$0.1756	\$0.0000
Commodity Rate	\$0.0000	\$0.0000
IT-1 (DI)		
Commodity Rate	\$0.1756	\$0.0000

Pursuant to the General Terms and Conditions, the above Maximum and Minimum Rates shall be increased to include any applicable surcharges, including Annual Charge Adjustment ("ACA"). Gas Research Institute ("GRI") does not currently apply to any Shippers on DIGP. Recovery of the ACA charge is being suspended pursuant to the last sentence of 18CFR 154.402(a).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

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

The Overrun Service Rate is a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the applicable Maximum Reservation Rate plus the Commodity Rate.

Rate Schedule	Overrun Service Rate
FT-1 (MP)	\$0.1756
FT-2 (MP)	\$0.1756
FT-3 (MP)	\$0.1756
IT-1 (MP)	\$0.1756
FT-1 (DI)	\$0.1756
FT-2 (DI)	\$0.1756
IT-1 (DI)	\$0.1756



Effective Date: 06/12/1998 Status: Effective

FERC Docket: RP98- 17-003

**Third Revised Sheet No. 9** Third Revised Sheet No. 9 : Effective

Superseding: Second Revised Sheet No. 9

Negotiated Rates

Receipt Shipper Point(s)	Delivery Point(s)	Rate Schedule	Negotiated Rate	Quantity
MP 225	Chieftain International (US) Inc. MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 18,313
MP 225	Coden		16 > Reservation rate	Path 2 - 15,000
MP 225	CNG Producing Company MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 114,065
MP 225	Coden		16 > Reservation rate	Path 2 - 65,000
MP 225	Coastal Oil & Gas USA, LP MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 73,252
MP 225	Coden*		16 > Reservation rate	Path 2 - 58,000
MP 198	Coden*		16 > Reservation rate	Path 3 - 17,000
MP 225	Elf Aquitaine Oil Programs, Inc. MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 12,662
MP 225	Oryx Energy Company (Sun Operating) MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 22,500
MP 225	Coden		16 > Reservation rate	Path 2 - 22,500
MP 225	Piquant, Inc. MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 4,159
MP 225	Santa Fe Energy Resources, Inc. MP 164	FT-2 (MP)	16 > Reservation rate	Path 1 - 15,050
MP 198	Coden**		17.56 > Reserva. rate	Path 2 - 15,000
MP 198	Vastar Resources, Inc.	FT-2 (MP)	17.56 > Reserva. rate	Path 1 - 22,500
MP 198	Coden**		17.56 > Reserva. rate	Path 1 - 10,000
MP 198	Ocean Energy, Inc. MP 198 Codon**	FT-2 (MP)	17.56 > Reserva. rate	Path 1 - 10,000

\* Shipper may allocate the MDQ for Paths 2 and 3 within ninety (90) days after the commencement of Path 3 by notifying

Transporter of the allocation. The allocation must state a MDQ for each of Paths 2 and 3, the sum not to exceed 75,000 Dth/d.

The allocation will be effective the first day of the fourth (4th) month following commencement of Path 3. A revised Exhibit

"A" will be provided reflecting the allocation. Failure to notify Transporter of the allocation within the ninety (90) day

period shall be a waiver of the right to allocate.

\*\* At any time prior to the commencement of the Path, Shipper may reduce the MDQ associated with the Path by notifying

Transporter of the reduced MDQ, with such reduction to be effective upon the commencement of the Path. A revised Exhibit "A"

will be provided reflecting the reduction. Failure to notify Transporter of a reduction prior to the commencement of the Path

shall be a waiver of the right to reduce.

Effective Date: 07/01/1998 Status: Effective  
 FERC Docket: RP98- 17-004

**Second Revised Sheet No. 9A** Second Revised Sheet No. 9A : Effective  
 Superseding: First Revised Sheet No. 9A  
 Negotiated Rates

	Receipt	Delivery	Rate	Negotiated	Quantity
	Shipper Point(s)	Point(s)	Schedule	Rate	
8,000	Bechtel Energy Partners, Ltd. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
80,000	Chevron USA, Inc. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
11,500	Chieftain International (US) Inc. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
18,500	Enron Oil & Gas Company AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
8,000	Newfield Exploration Company AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
11,000	OEDC Exploration & Producing, L.P. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
3,400	Santa Fe Energy Resources, Inc. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
5,850	SCANA Hydrocarbons, Inc. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
19,500	Shell Offshore, Inc. AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -
35,600	Union Oil Company of California AST 73	Coden	FT-2 (DI)	5 > Reservation rate	Path 1 -

These negotiated rate agreements do not deviate in any material respect from the form of service agreement in the tariff.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 10** Original Sheet No. 10 : Effective

RATE SCHEDULE FT-1 (MP)  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FT-1 (MP) is available to any person (hereinafter called "Shipper") who requests transportation of natural gas on a firm basis through Transporter's MP Facility pursuant to Part 284 of the FERC's Regulations and who has executed a FT-1 (MP) Transportation Service Agreement for a minimum term of one year with Dauphin Island Gathering Partners (hereinafter called "Transporter").
- 1.2 Except for service requested by Shippers prior to the commencement of Docket No. CP97-300-000, Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule. All such requests for service under Rate Schedule FT-1 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be deemed to have the same date and time, and if the sum of all such requests and all similar requests for service under Rate Schedules FT-2 (MP) and FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, exceed the design capacity of any part of Transporter's MP Facility minus service requested by Shippers prior to the commencement of Docket No. CP97-300-000, then the available capacity shall be allocated to Shippers (other than Shippers requesting service prior to the commencement of Docket No. CP97-300-000) requesting service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) pro rata, based on requested Maximum Daily Quantity for each Path. The unsatisfied portion of any requests for service under Rate Schedules FT-1 (MP), FT-2 (MP) and/or FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be maintained on Transporter's firm transportation log and shall be considered first-come/first-served with respect to any future firm transportation capacity that becomes available for each Path on Transporter's MP Facility. Transporter shall offer such available firm capacity on a pro rata basis to each such Shipper having an unsatisfied request for service which was received on or before 3:00 p.m. CCT on May 2, 1997, from time to time as and when firm capacity becomes available, until the Shipper has subscribed to or declined firm capacity equal to the unsatisfied portion of its original request for service.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 11** Substitute Original Sheet No. 11 : Effective  
Superseding: Original Sheet No. 11

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's MP Facility, on a firm basis, up to the Maximum Daily Quantity for each Path set forth in the FT-1 (MP) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-1 (MP) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's MP Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed a FT-1 (MP) Transportation Service Agreement.
- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule FT-1 (MP) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities. A New Facilities Charge shall not apply to any of Transporter's MP Facility constructed pursuant to the certificate issued in Docket No. CP97-300-000.
- 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
- 2.5 Capacity available for firm transportation on Transporter's MP Facility shall be allocated among Shippers receiving service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 12** Substitute Original Sheet No. 12 : Effective  
Superseding: Original Sheet No. 12

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Point(s):

The Primary Receipt Point(s) on Transporter's MP Facility shall be specified on Exhibit "A" to the FT-1 (MP) Transportation Service Agreement.

3.2 Delivery Point(s):

The Primary Delivery Point(s) on Transporter's MP Facility shall be specified on Exhibit "A" to the FT-1 (MP) Transportation Service Agreement.

3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rates for service under Rate Schedule FT-1 (MP) are the Maximum Reservation and Commodity Rates for Rate Schedule FT-1 (MP) set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-1 (MP) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity and/or Reservation Rates for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 13

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-1 (MP) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-1 (MP) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

- (a) Reservation Charge: A reservation charge equal to the product of the applicable Maximum Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the total Maximum Daily Quantity for all Paths specified in the FT-1 (MP) Transportation Service Agreement, and multiplied by the number of days in the month (less any time transportation service was unavailable in accordance with Section 21.3 of the General Terms and Conditions of Transporter's FERC Gas Tariff); and,

Effective Date: 12/23/1997 Status: Effective  
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**Substitute Original Sheet No. 14** Substitute Original Sheet No. 14 : Effective  
Superseding: Original Sheet No. 14

- (b) Commodity Charge: The applicable Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, multiplied by the Dth of gas allocated to Shipper's FT-1 (MP) Transportation Service Agreement at the Delivery Point(s) in the month; and,
- (c) Other Charges: Any applicable surcharges set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's MP Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable FT-1 (MP) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable FT-1 (MP) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the FT-1 (MP) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

- (b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

6. REQUESTS FOR FT-1 (MP) TRANSPORTATION SERVICE

- 6.1 Any person desiring transportation service under Rate Schedule FT-1 (MP) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted unless capacity to render the service is available; provided, however, if construction of facilities is required, the request may be made at an earlier date. A request for service may be made earlier than ninety days prior to the proposed commencement date of service if (i) the request is made on or before 3:00 p.m. CCT on May 2, 1997, and (ii) the effective date of the Transportation Service Agreement is a date not later than July 1, 1999.

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

- 6.2 A request for transportation service must include the following:
  - (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path.
  - (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.



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- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service; provided that the primary term shall not be less than one year.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

6.3 Credit Evaluation:

- (a) Any person seeking new service from Transporter under Rate Schedule FT-1 (MP) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,
  - (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule FT-1 (MP) on behalf of 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

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

may receive service under Rate Schedule FT-1 (MP) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

6.4 Prepayment for Service:

- (a) Any person requesting firm service under Rate Schedule FT-1 (MP) must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial one month period. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. A FT-1 (MP) Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-1 (MP) Transportation Service Agreement, the entire amount of the prepayment (with interest in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) shall be credited to Shipper's billing statements during the first months which the Transportation Service Agreement is in effect until the total amount of the prepayment (with interest in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) is credited to Shipper's billing statements. In the event that the FT-1 (MP) Transportation Service Agreement is not

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 18

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-1 (MP) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-1 (MP) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

- (a) Reservation Charge: A reservation charge equal to the product of the applicable Maximum Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the total Maximum Daily Quantity for all Paths specified in the FT-1 (MP) Transportation Service Agreement, and multiplied by the number of days in the month (less any time transportation service was unavailable in accordance with Section 21.3 of the General Terms and Conditions of Transporter's FERC Gas Tariff); and,

Effective Date: 12/23/1997 Status: Effective

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**Substitute Original Sheet No. 19** Substitute Original Sheet No. 19 : Effective  
Superseding: Original Sheet No. 19

RATE SCHEDULE FT-2 (MP)  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FT-2 (MP) is available to any person (hereinafter called "Shipper") (a) who requests transportation of natural gas on a firm basis through Transporter's MP Facility under this Rate Schedule, (b) who has executed a FT-2 (MP) Transportation Service Agreement with Dauphin Island Gathering Partners (hereinafter called "Transporter") for transportation service under this Rate Schedule, (c) who has executed a FT-2 (MP) Reserve Commitment Agreement, and (d) who satisfies the requirements of this Rate Schedule.
- 1.2 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-2 (MP) unless Shipper agrees to commit for delivery into, either directly or indirectly, and transportation through Transporter's MP Facility, all natural gas produced by or for the account of Shipper, or controlled by Shipper, pursuant to the terms of the FT-2 (MP) Reserve Commitment Agreement from lease(s) defined by specific Outer Continental Shelf Blocks or State Waters Blocks ("Dedicated Lease(s)").
- 1.3 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-2 (MP) other than gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, or controlled by Shipper and produced from, the Dedicated Lease(s).
- 1.4 Except for service requested by Shippers prior to the commencement of Docket No. CP97-300-000, Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule. All such requests for service under Rate Schedule FT-2 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be deemed to have the same date and time, and if the sum of all such requests and all similar requests for service under Rate Schedules FT-1 (MP) and FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, exceed the design capacity of any part of Transporter's MP Facility minus service requested by Shippers prior to the commencement of Docket No. CP97-300-000, then the available capacity shall be allocated to Shippers (other than Shippers requesting service prior to the commencement of Docket No. CP97-300-000) requesting service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) pro rata, based on requested Maximum Daily Quantity

Effective Date: 12/23/1997 Status: Effective  
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for each Path. The unsatisfied portion of any requests for service under Rate Schedules FT-1 (MP), FT-2 (MP) and/or FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be maintained on Transporter's firm transportation log and shall be considered first-come/first-served with respect to any future firm transportation capacity that becomes available for each Path on Transporter's MP Facility. Transporter shall offer such available firm capacity on a pro rata basis to each such Shipper having an unsatisfied request for service which was received on or before 3:00 p.m. CCT on May 2, 1997, from time to time as and when firm capacity becomes available, until the Shipper has subscribed to or declined firm capacity equal to the unsatisfied portion of its original request for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's MP Facility, on a firm basis, up to the Maximum Daily Quantity for the Delivery Period for each Path set forth in the FT-2 (MP) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper, either directly or indirectly, from the Dedicated Lease(s) for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-2 (MP) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's MP Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed a FT-2 (MP) Transportation Service Agreement and a FT-2 (MP) Reserve Commitment Agreement.
- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule FT-2 (MP) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities. A New Facilities

Effective Date: 12/23/1997 Status: Effective  
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Superseding: Original Sheet No. 21

Charge shall not apply to any of Transporter's MP Facility constructed pursuant to the certificate issued in Docket No. CP97-300-000.

2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.

2.5 Capacity available for firm transportation on Transporter's MP Facility shall be allocated among Shippers receiving service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Point(s):

The Primary Receipt Point(s) on Transporter's MP Facility shall be specified on Exhibit "A" to the FT-2 (MP) Transportation Service Agreement.

3.2 Delivery Point(s):

The Primary Delivery Point(s) on Transporter's MP Facility shall be specified on Exhibit "A" to the FT-2 (MP) Transportation Service Agreement.

3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rates for service under Rate Schedule FT-2 (MP) are the Maximum FT-2 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-2 (MP) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC

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Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity and/or Reservation Rates for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-2 (MP) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice or prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-2 (MP) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 23** Substitute Original Sheet No. 23 : Effective  
Superseding: Original Sheet No. 23

4.5 Negotiated Rates:

Shipper and Transporter may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 4.1, 4.2 and 4.3 herein which may be less than, equal to or greater than the Maximum FT-2 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, shall not be less than Minimum FT-2 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, may be based on a rate design other than straight fixed variable and may include a minimum quantity. Such Negotiated Rate shall be set forth on Exhibit "C" of the executed Transportation Service Agreement and on the applicable currently effective sheets of Transporter's FERC Gas Tariff. The Maximum FT-2 (MP) Rates shall be available to any Shipper that does not choose a Negotiated Rate.

Shippers paying a Negotiated Rate which exceeds the Maximum FT-2 (MP) Rates will be considered to be paying the Maximum FT-2 (MP) Rates for purposes of scheduling, curtailment and interruption and matching competing bids for the right of first refusal. Acquiring Shippers may not bid or pay a rate greater than the Maximum FT-2 (MP) Rates and are not eligible for Negotiated Rates.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 19.7 of the General Terms and Conditions in order to establish the basis of accounting for revenue from an Acquiring Shipper as a means of preserving the economic basis of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit "C" of the executed Transportation Service Agreement. Nothing in this Section 4.5 shall authorize Transporter or Shipper to negotiate terms and conditions of service.

5. MONTHLY BILL AND REVENUE BANK

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

(a) Reservation Charge:

- (i) If the summation of the quantity of gas allocated to Shipper's FT-2 (MP) Transportation Service Agreement at the Delivery Point(s) in the month equals or exceeds 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (MP) Transportation Service Agreement for the



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the quantity of gas allocated to Shipper's FT-2 (MP) Transportation Service Agreement at the Delivery Point(s) during the month; or,

(ii) If the summation of the quantity of gas allocated to Shipper's FT-2 (MP) Transportation Service Agreement at the Delivery Point(s) in the month is less than 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (MP) Transportation Service Agreement for the month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate multiplied by 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (MP) Transportation Service Agreement, and multiplied by the number of days in the month (less any time transportation service was unavailable in accordance with Section 21.3 of the General Terms and Conditions of Transporter's FERC Gas Tariff); and,

(b) Commodity Charge: The applicable Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, multiplied by the Dth of gas allocated to Shipper's FT-2 (MP) Transportation Service Agreement at the Delivery Point(s) in the month; and,

(c) Other Charges: Any applicable surcharges set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

#### 5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's MP Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable FT-2 (MP) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24)

**Substitute Original Sheet No. 25** Substitute Original Sheet No. 25 : Effective  
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hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable FT-2 (MP) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the FT-2 (MP) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.
- (b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

- 5.4 A Revenue Bank shall be established consisting of the sixty (60) consecutive month period ending with the applicable month for which a monthly bill is being prepared (the "Credit Period"). If a period of sixty (60) consecutive months has not elapsed since the effective date of the FT-2 (MP) Transportation Service Agreement, the Credit Period shall be the time elapsed since such effective date until such a sixty (60) consecutive month period has elapsed. If the term or remaining term of the FT-2 (MP) Transportation Service Agreement is less than any sixty (60) consecutive month period, then the Credit Period shall be such lesser term or the remaining term of the FT-2 (MP) Transportation Service Agreement. In any month during the Credit Period in which Shipper's reservation charge is calculated under Subsection 5.1(a)(ii), an amount equal to the difference between (1) the reservation charge calculated under Subsection 5.1(a)(ii), and (2) the reservation charge that would have been calculated if Subsection 5.1(a)(i) had applied, shall be credited to the Revenue Bank. In any month during the Credit Period in which the summation of the quantity allocated to Shipper's FT-2 (MP) Transportation Service Agreement at the Delivery Point(s) exceeds 75% of the Maximum Daily Quantity for all Paths for the month (including quantities of gas under Section 5.2 as authorized overrun service, but excluding quantities under Section 5.3 as unauthorized overrun service), the amounts invoiced by Transporter for transportation quantities in excess of 75% of the summation of the Maximum Daily Quantity

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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for all Paths for the month shall be offset with credits from the available balance in the Revenue Bank, utilizing the oldest component(s) first of the available balance in the Revenue Bank. Any balance remaining in the Revenue Bank at the termination of Shipper's FT-2 (MP) Transportation Service Agreement shall be retained by Transporter. The Revenue Bank shall not be applicable to firm transportation capacity rights released by Shipper and acquired by a third party in accordance with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

6. REQUESTS FOR FT-2 (MP) TRANSPORTATION SERVICE

6.1 Any person desiring transportation service under Rate Schedule FT-2 (MP) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log, or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted unless capacity to render the service is available; provided, however, if construction of facilities is required, the request may be made at an earlier date. A request for service may be made earlier than ninety days prior to the proposed commencement date of service if (i) the request is made on or before 3:00 p.m. CCT on May 2, 1997, and (ii) the effective date of the Transportation Service Agreement is a date not later than July 1, 1999.

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

(a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path. Shipper may request for each Path a separately stated MDQ under its FT-2 (MP) Transportation Service Agreement for specified delivery periods of not less than 12 consecutive months.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

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

- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.
- (g) Dedicated Lease(s): Identification of the Dedicated Lease(s) by lease number and their location by Outer Continental Shelf or State Waters Blocks, and Shipper's interest therein.

6.3 Credit Evaluation:

- (a) Any person seeking new service from Transporter under Rate Schedule FT-2 (MP) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,
  - (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.

- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule FT-2 (MP) on behalf of 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 under Rate Schedule FT-2 (MP) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

6.4 Prepayment for Service:

- (a) Any person requesting firm service under Rate Schedule FT-2 (MP) must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial one month period. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. A FT-2 (MP) Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-2 (MP) Transportation Service Agreement, the entire amount of the prepayment (with interest in the case of requests

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 29** Substitute Original Sheet No. 29 : Effective  
Superseding: Original Sheet No. 29

for service received on or before 3:00 p.m. CCT on May 2, 1997) shall be credited to Shipper's billing statements during the first months which the Transportation Service Agreement is in effect until the total amount of the prepayment (with interest in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) is credited to Shipper's billing statements. In the event that the FT-2 (MP) Transportation Service Agreement is not executed and returned to Transporter within 30 days (60 days in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment and interest (if applicable).

- (c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

#### 6.5 Modification of Service:

Any modification of an existing transportation service under Rate Schedule FT-2 (MP) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter. Transporter shall not be obligated to accept any modifications of an existing FT-2 (MP) Transportation Service Agreement, except as provided herein.

#### 7. REDUCTIONS IN MDQ

Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any Path(s) under its FT-2 (MP) Transportation Service Agreement on ninety (90) days prior written notice to Transporter, with such reduction to be effective the first day of a month; provided, Shipper may not reduce the MDQ for any Path below the average daily Dth of gas transported on such Path under the FT-2 (MP) Transportation Service Agreement during the ninety (90) consecutive day period preceding the date Transporter receives Shippers notice of reduction; provided, further, any day during which the production of gas is curtailed by Shipper or shut-in by Shipper shall be excluded in determining the average daily Dth of gas transported during such ninety (90) day period unless the curtailment or shut-in was due to the inability of an upstream gatherer to gather, or Transporter to transport, the gas. A reduction in the MDQ for a Path shall result in an equal reduction in the Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity associated with such Path. In consideration of the foregoing MDQ reduction rights, Shipper will agree to waive

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

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

its rights to any revenues from a release of its FT-2 (MP) capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under its FT-2 (MP) Transportation Service Agreement as computed in accordance with said Section 19.

8. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 31 Through 33** Original Sheets No. 31 Through 33 : Effective

Reserved for Future Use



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 34** Substitute Original Sheet No. 34 : Effective  
Superseding: Original Sheet No. 34

RATE SCHEDULE FT-3 (MP)  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FT-3 (MP) is available to any person (hereinafter called "Shipper") (a) who requests transportation of natural gas on a firm basis through Transporter's MP Facility under this Rate Schedule, (b) who has executed a FT-3 (MP) Transportation Service Agreement with Dauphin Island Gathering Partners (hereinafter called "Transporter") for transportation service under this Rate Schedule, (c) who has executed a FT-3 (MP) Reserve Commitment Agreement, and (d) who satisfies the requirements of this Rate Schedule.
- 1.2 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-3 (MP) unless Shipper agrees to commit for delivery into and transportation through Transporter's MP Facility, a fluctuating quantity of natural gas pursuant to the terms of the FT-3 (MP) Reserve Commitment Agreement consisting of (a) natural gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, lease(s) defined by specific Outer Continental Shelf Blocks or State Waters Blocks dedicated under gathering agreement(s) to the Main Pass Gas Gathering System (such lease(s) being referred to herein as "Dedicated Lease(s)"), and (b) natural gas controlled by Shipper and produced from the Dedicated Lease(s), with the fluctuating quantity (such quantity being referred to herein as "MPS Excess Quantity") equal to the difference (if any) between (aa) the total quantity of (i) natural gas available for production by or for the account of Shipper from, and attributable to Shipper's working interest in, the Dedicated Lease(s) and (ii) natural gas controlled by Shipper and produced from the Dedicated Lease(s), and (bb) the actual quantity of natural gas delivered on any day from the Main Pass Gas Gathering System to Texas Eastern Transmission Corporation at Block 164, Main Pass Area East, East Addition, offshore Louisiana, via Transporter's MP Facility consisting of (i) natural gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, the Dedicated Lease(s) and (ii) natural gas controlled by Shipper and produced from the Dedicated Lease(s).
- 1.3 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-3 (MP) other than gas constituting the MPS Excess Quantity.
- 1.4 Except for service requested by Shippers prior to the commencement of Docket No. CP97-300-000, Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section

**Original Sheet No. 35** Original Sheet No. 35 : Effective

6 of this Rate Schedule. All such requests for service under Rate Schedule FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be deemed to have the same date and time, and if the sum of all such requests and all similar requests for service under Rate Schedules FT-1 (MP) and FT-2 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, exceed the design capacity of any part of Transporter's MP Facility minus service requested by Shippers prior to the commencement of Docket No. CP97-300-000, then the available capacity shall be allocated to Shippers (other than Shippers requesting service prior to the commencement of Docket No. CP97-300-000) requesting service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) pro rata, based on requested Maximum Daily Quantity for each Path. The unsatisfied portion of any requests for service under Rate Schedules FT-1 (MP), FT-2 (MP) and/or FT-3 (MP) received on or before 3:00 p.m. CCT on May 2, 1997, shall be maintained on Transporter's firm transportation log and shall be considered first-come/first-served with respect to any future firm transportation capacity that becomes available for each Path on Transporter's MP Facility. Transporter shall offer such available firm capacity on a pro rata basis to each such Shipper having an unsatisfied request for service which was received on or before 3:00 p.m. CCT on May 2, 1997, from time to time as and when firm capacity becomes available, until the Shipper has subscribed to or declined firm capacity equal to the unsatisfied portion of its original request for service.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's MP Facility, on a firm basis, up to the Maximum Daily Quantity for the Delivery Period for each Path set forth in the FT-3 (MP) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of MPS Excess Quantity tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-3 (MP) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's MP Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed a FT-3 (MP) Transportation Service Agreement and a FT-3 (MP) Reserve Commitment Agreement.

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

- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule FT-3 (MP) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities. A New Facilities Charge shall not apply to any of Transporter's MP Facility constructed pursuant to the certificate issued in Docket No. CP97-300-000.
  - 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
  - 2.5 Capacity available for firm transportation on Transporter's MP Facility shall be allocated among Shippers receiving service under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES
- 3.1 Receipt Point(s):

The Primary Receipt Point(s) shall be the interconnection(s) between the north-south leg of Transporter's MP Facility with the Main Pass Gas Gathering System, and shall be specified on Exhibit "A" to the FT-3 (MP) Transportation Service Agreement.
  - 3.2 Delivery Point(s):

The Primary Delivery Point(s) on Transporter's MP Facility shall be specified on Exhibit "A" to the FT-3 (MP) Transportation Service Agreement.
  - 3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.
  - 3.4 Delivery and Receipt Quantities:

Shipper shall deliver and receive gas at a rate reasonably equivalent to the rate that the MPS Excess Quantity becomes available from time to time.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 37** Substitute Original Sheet No. 37 : Effective

Superseding: Original Sheet No. 37

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rates for service under Rate Schedule FT-3 (MP) are the Maximum FT-3 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-3 (MP) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service at the on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity and/or Reservation Rates for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-3 (MP) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 38** Substitute Original Sheet No. 38 : Effective  
Superseding: Original Sheet No. 38

Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-3 (MP) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

4.5 Negotiated Rates:

Shipper and Transporter may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 4.1, 4.2 and 4.3 herein which may be less than, equal to or greater than the Maximum FT-3 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, shall not be less than Minimum FT-3 (MP) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, may be based on a rate design other than straight fixed variable and may include a minimum quantity. Such Negotiated Rate shall be set forth on Exhibit "C" of the executed Transportation Service Agreement and on the applicable currently effective sheets of Transporter's FERC Gas Tariff. The Maximum FT-3 (MP) Rates shall be available to any Shipper that does not choose a Negotiated Rate.

Shippers paying a Negotiated Rate which exceeds the Maximum FT-3 (MP) Rates will be considered to be paying the Maximum FT-3 (MP) Rates for purposes of scheduling, curtailment and interruption and matching competing bids for the right of first refusal. Acquiring Shippers may not bid or pay a rate greater than the Maximum FT-3 (MP) Rates and are not eligible for Negotiated Rates.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 19.7 of the General Terms and Conditions in order to establish the basis of accounting for revenue from an Acquiring Shipper as a means of preserving the economic basis of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit "C" of the executed Transportation Service Agreement. Nothing in this Section 4.5 shall authorize Transporter or Shipper to negotiate terms and conditions of service.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

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

5. MONTHLY BILL AND REVENUE BANK

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

(a) Reservation Charge:

(i) If the summation of the quantity of gas allocated to Shipper's FT-3 (MP) Transportation Service Agreement at the Delivery Point(s) in the month equals or exceeds 75% of the total Maximum Daily Quantity for all Paths specified in the FT-3 (MP) Transportation Service Agreement for the month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the quantity of gas allocated to Shipper's FT-3 (MP) Transportation Service Agreement at the Delivery Point(s) during the month; or,

(ii) If the summation of the quantity of gas allocated to Shipper's FT-3 (MP) Transportation Service Agreement at the Delivery Point(s) in the month is less than 75% of the total Maximum Daily Quantity for all Paths specified in the FT-3 (MP) Transportation Service Agreement for the month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate multiplied by 75% of the total Maximum Daily Quantity for all Paths specified in the FT-3 (MP) Transportation Service Agreement, and multiplied by the number of days in the month (less any time transportation service was unavailable in accordance with Section 21.3 of the General Terms and Conditions of Transporter's FERC Gas Tariff); and,

(b) Commodity Charge: The applicable Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, multiplied by the Dth of gas allocated to Shipper's FT-3 (MP) Transportation Service Agreement at the Delivery Point(s) in the month; and,

(c) Other Charges: Any applicable surcharges set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 40** Substitute Original Sheet No. 40 : Effective

Superseding: Original Sheet No. 40

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's MP Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable FT-3 (MP) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

(a) Each Dth of gas received from Shipper on any day under the applicable FT-3 (MP) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the FT-3 (MP) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.

(b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

5.4 A Revenue Bank shall be established consisting of the sixty (60) consecutive month period ending with the applicable month for which a monthly bill is being prepared (the "Credit Period"). If a period of sixty (60) consecutive months has not elapsed since the effective date of the FT-3 (MP) Transportation Service Agreement, the Credit Period

Effective Date: 12/23/1997 Status: Effective  
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**Substitute Original Sheet No. 41** Substitute Original Sheet No. 41 : Effective  
Superseding: Original Sheet No. 41

shall be the time elapsed since such effective date until such a sixty (60) consecutive month period has elapsed. If the term or remaining term of the FT-3 (MP) Transportation Service Agreement is less than any sixty (60) consecutive month period, then the Credit Period shall be such lesser term or the remaining term of the FT-3 (MP) Transportation Service Agreement. In any month during the Credit Period in which Shipper's reservation charge is calculated under Subsection 5.1(a) (ii), an amount equal to the difference between (1) the reservation charge calculated under Subsection 5.1(a) (ii), and (2) the reservation charge that would have been calculated if Subsection 5.1(a) (i) had applied, shall be credited to the Revenue Bank. In any month during the Credit Period in which the summation of the quantity allocated to Shipper's FT-3 (MP) Transportation Service Agreement at the Delivery Point(s) exceeds 75% of the Maximum Daily Quantity for all Paths for the month (including quantities of gas under Section 5.2 as authorized overrun service, but excluding quantities under Section 5.3 as unauthorized overrun service), the amounts invoiced by Transporter for transportation quantities in excess of 75% of the summation of the Maximum Daily Quantity for all Paths for the month shall be offset with credits from the available balance in the Revenue Bank, utilizing the oldest component(s) first of the available balance in the Revenue Bank. Any balance remaining in the Revenue Bank at the termination of Shipper's FT-3 (MP) Transportation Service Agreement shall be retained by Transporter. The Revenue Bank shall not be applicable to firm transportation capacity rights released by Shipper and acquired by a third party in accordance with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

6. REQUESTS FOR FT-3 (MP) TRANSPORTATION SERVICE

- 6.1 Any person desiring transportation service under Rate Schedule FT-3 (MP) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log, or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted unless capacity to render the service is available; provided, however, if construction of facilities is required, the request may be made at an earlier date. A request for service may be made earlier than ninety days prior to the proposed commencement date of service if (i) the request is made on or before 3:00 p.m. CCT on May 2, 1997, and (ii) the effective date of the Transportation Service Agreement is a date not later than July 1, 1999.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 42

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

- (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path. Shipper may request for each Path a separately stated MDQ under its FT-3 (MP) Transportation Service Agreement for specified delivery periods of not less than 12 consecutive months.
- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.
- (g) Dedicated Lease(s): Identification of the Dedicated Lease(s) by lease number and their location by Outer Continental Shelf or State Waters Blocks, and Shipper's interest therein.

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

6.3 Credit Evaluation:

- (a) Any person seeking new service from Transporter under Rate Schedule FT-3 (MP) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,
  - (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule FT-3 (MP) on behalf of 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 under Rate Schedule FT-3 (MP) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law,

or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

6.4 Prepayment for Service:

- (a) Any person requesting firm service under Rate Schedule FT-3 (MP) must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial one month period. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. A FT-3 (MP) Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-3 (MP) Transportation Service Agreement, the entire amount of the prepayment (with interest in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) shall be credited to Shipper's billing statements during the first months which the Transportation Service Agreement is in effect until the total amount of the prepayment (with interest in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) is credited to Shipper's billing statements. In the event that the FT-3 (MP) Transportation Service Agreement is not executed and returned to Transporter within 30 days (60 days in the case of requests for service received on or before 3:00 p.m. CCT on May 2, 1997) after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment and interest (if applicable).
- (c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

Effective Date: 01/10/1999 Status: Effective

FERC Docket: RP99-181-000

**First Revised Sheet No. 45** First Revised Sheet No. 45 : Effective

Superseding: Substitute Original Sheet No. 45

6.5 Modification of Service:

Any modification of an existing transportation service under Rate Schedule FT-3 (MP) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter. Transporter shall not be obligated to accept any modifications of an existing FT-3 (MP) Transportation Service Agreement, except as provided herein.

7. REDUCTIONS IN MDQ

Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any Path(s) under its FT-3 (MP) Transportation Service Agreement on ninety (90) days prior written notice to Transporter, with such reduction to be effective the first day of a month; provided, Shipper may not reduce the MDQ for any Path below the average daily Dth of gas transported on such Path under the FT-3 (MP) Transportation Service Agreement during the ninety (90) consecutive day period preceding the date Transporter receives Shipper's notice of reduction; provided, further, any day during which the production of gas is curtailed by Shipper or shut-in by Shipper shall be excluded in determining the average daily Dth of gas transported during such ninety (90) day period unless the curtailment or shut-in was due to the inability of an upstream gatherer to gather, or Transporter to transport, the gas. A reduction in the MDQ for a Path shall result in an equal reduction in the Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity associated with such Path. In consideration of the foregoing MDQ reduction rights, Shipper will agree to waive its rights to any revenues from a release of its FT-3 (MP) capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under its FT-3 (MP) Transportation Service Agreement as computed in accordance with said Section 19.

*Effective Date: 01/10/1999 Status: Effective*

*FERC Docket: RP99-181-000*

**First Revised Sheet No. 46** First Revised Sheet No. 46 : Effective

Superseding: Original Sheet No. 46

8. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 47 Through 49** Original Sheets No. 47 Through 49 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 50** Substitute Original Sheet No. 50 : Effective  
Superseding: Original Sheet No. 50  
RATE SCHEDULE IT-1 (MP)  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule IT-1 (MP) is available to any person (hereinafter called "Shipper") who requests transportation of natural gas on an interruptible basis through Transporter's MP Facility pursuant to Part 284 of the FERC's Regulations and who has executed an IT-1 (MP) Transportation Service Agreement with Dauphin Island Gathering Partners (hereinafter called "Transporter").
- 1.2 Transporter shall accept written transportation requests for interruptible service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's MP Facility, on an interruptible basis, when and to the extent that Transporter determines that capacity is available for the Path in Transporter's MP Facility, subject to the availability of capacity sufficient to provide service up to the Maximum Daily Quantity for each Path set forth in the IT-1 (MP) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed IT-1 (MP) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's MP Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on an interruptible basis. Transporter shall not commence service until Transporter and Shipper have executed an IT-1 (MP) Transportation Service Agreement.

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

- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule IT-1 (MP) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities. A New Facilities Charge shall not apply to any of Transporter's MP Facility constructed pursuant to the certificate issued in Docket No. CP97-300-000.
  - 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
  - 2.5 Capacity available for interruptible transportation under Rate Schedule IT-1 (MP) shall be allocated among Shippers receiving service under Rate Schedule IT-1 (MP) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES
- 3.1 Receipt Point(s):

All Receipt Points on Transporter's MP Facility shall be available as Receipt Points for gas transported under this Rate Schedule.
  - 3.2 Delivery Point(s):

All Delivery Points on Transporter's MP Facility shall be available as Delivery Point(s) for gas transported under this Rate Schedule.
  - 3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.
  - 3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 52

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rate for service under Rate Schedule IT-1 MP is the Maximum Commodity Rate for Rate Schedule IT-1 (MP) set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule IT-1 (MP) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service at the on the Path(s) agreed upon by Transporter, and (b) shall be applicable solely for the quantity and period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity Rate for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the IT-1 (MP) Transportation Service Agreement.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 53

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the IT-1 (MP) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to the Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the Dth of natural gas allocated to Shipper's IT-1 (MP) Transportation Service Agreement at all Delivery Points in the month, and any applicable New Facilities Charges pursuant to Section 4.2, any Incidental Charges pursuant to Section 4.3, and any applicable surcharges as set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's MP Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its firm and other interruptible service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable IT-1 (MP) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 54** Substitute Original Sheet No. 54 : Effective

Superseding: Original Sheet No. 54

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable IT-1 (MP) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the IT-1 (MP) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.
- (b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

6. REQUESTS FOR IT-1 (MP) TRANSPORTATION SERVICE

- 6.1 Any person desiring transportation service under Rate Schedule IT-1 (MP) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service; provided, however, if construction of facilities is required, the request may be made at an earlier date. A request for service may be made earlier than ninety days prior to the proposed commencement date of service if (i) the request is made on or before 3:00 p.m. CCT on May 2, 1997, and (ii) the effective date of the Transportation Service Agreement is a date not later than July 1, 1999.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 55

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

- (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path.
- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

6.3 Credit Evaluation:

- (a) Any person seeking service from Transporter under Rate Schedule IT-1 (MP) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,

- (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule IT-1 (MP) on behalf of 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 under Rate Schedule IT-1 (MP) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 57** Substitute Original Sheet No. 57 : Effective

Superseding: Original Sheet No. 57

6.4 Modification of Service:

Any modification of an existing transportation service under Rate Schedule IT-1 (MP) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter.

7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 58 Through 60** Original Sheets No. 58 Through 60 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

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

RATE SCHEDULE FT-1 (DI)  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FT-1 (DI) is available to any person (hereinafter called "Shipper") who requests transportation of natural gas on a firm basis through Transporter's DI Facility pursuant to Part 284 of the FERC's Regulations and who has executed a FT-1 (DI) Transportation Service Agreement for a minimum term of one year with Dauphin Island Gathering Partners (hereinafter called "Transporter").
- 1.2 Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's DI Facility, on a firm basis, up to the Maximum Daily Quantity for each Path set forth in the FT-1 (DI) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-1 (DI) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's DI Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed a FT-1 (DI) Transportation Service Agreement.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule FT-1 (DI) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities.
- 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
- 2.5 Capacity available for firm transportation on Transporter's DI Facility (except that portion of Transporter's DI Facility being used as a portion of Transporter's MP Facility) shall be allocated among Shippers receiving service under Rate Schedules FT-1 (DI) and FT-2 (DI) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Point(s):

The Primary Receipt Point(s) on Transporter's DI Facility shall be specified on Exhibit "A" to the FT-1 (DI) Transportation Service Agreement.

3.2 Delivery Point(s):

The Primary Delivery Point(s) on Transporter's DI Facility shall be specified on Exhibit "A" to the FT-1 (DI) Transportation Service Agreement.

3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 63

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rates for service under Rate Schedule FT-1 (DI) are the Maximum Reservation and Commodity Rates for Rate Schedule FT-1 (DI) set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-1 (DI) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity and/or Reservation Rates for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-1 (DI) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

applicable Incidental Charges shall be stated in the FT-1 (DI) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

- (a) Reservation Charge: A reservation charge equal to the product of the applicable Maximum Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the total Maximum Daily Quantity for all Paths specified in the FT-1 (DI) Transportation Service Agreement, and multiplied by the number of days in the month (less any time transportation service was unavailable in accordance with Section 21.3 of the General Terms and Conditions of Transporter's FERC Gas Tariff); and,
- (b) Commodity Charge: The applicable Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, multiplied by the Dth of gas allocated to Shipper's FT-1 (DI) Transportation Service Agreement at the Delivery Point(s) in the month; and,
- (c) Other Charges: Any applicable surcharges set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's DI Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable FT-1 (DI) Transportation Service

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable FT-1 (DI) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the FT-1 (DI) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.
- (b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

6. REQUESTS FOR FT-1 (DI) TRANSPORTATION SERVICE

- 6.1 Any person desiring transportation service under Rate Schedule FT-1 (DI) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted unless capacity to render the service is available; provided, however, if construction of facilities is required, the request may be made at an earlier date.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

- (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path.
- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service; provided that the primary term shall not be less than one year.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

6.3 Credit Evaluation:

- (a) Any person seeking new service from Transporter under Rate Schedule FT-1 (DI) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,

**Original Sheet No. 67** Original Sheet No. 67 : Effective

- (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule FT-1 (DI) on behalf of 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 under Rate Schedule FT-1 (DI) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 68** Substitute Original Sheet No. 68 : Effective  
Superseding: Original Sheet No. 68

6.4 Prepayment for Service:

- (a) Any person requesting firm service under Rate Schedule FT-1 (DI) must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial one month period. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. A FT-1 (DI) Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-1 (DI) Transportation Service Agreement, the entire amount of the prepayment shall be credited to Shipper's billing statements during the first months which the Transportation Service Agreement is in effect until the total amount of the prepayment is credited to Shipper's billing statements. In the event that the FT-1 (DI) Transportation Service Agreement is not executed and returned to Transporter within 30 days after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment and interest.
- (c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

6.5 Modification of Service:

Any modification of an existing transportation service under Rate Schedule FT-1 (DI) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 69** Original Sheet No. 69 : Effective

7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.



*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 70 Through 72** Original Sheets No. 70 Through 72 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 73** Substitute Original Sheet No. 73 : Effective  
Superseding: Original Sheet No. 73

RATE SCHEDULE FT-2 (DI)  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule FT-2 (DI) is available to any person (hereinafter called "Shipper") (a) who requests transportation of natural gas on a firm basis through Transporter's DI Facility under this Rate Schedule, (b) who has executed a FT-2 (DI) Transportation Service Agreement with Dauphin Island Gathering Partners (hereinafter called "Transporter") for transportation service under this Rate Schedule, (c) who has executed a FT-2 (DI) Reserve Commitment Agreement, and (d) who satisfies the requirements of this Rate Schedule.
- 1.2 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-2 (DI) unless Shipper agrees to commit for delivery into, either directly or indirectly, and transportation through Transporter's DI Facility, all natural gas produced by or for the account of Shipper, or controlled by Shipper, pursuant to the terms of the FT-2 (DI) Reserve Commitment Agreement from lease(s) defined by specific Outer Continental Shelf Blocks or State Waters Blocks ("Dedicated Lease(s)").
- 1.3 Transporter shall have no obligation to accept any gas for transportation under this Rate Schedule FT-2 (DI) other than gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, or controlled by Shipper and produced from, the Dedicated Lease(s).
- 1.4 Transporter shall accept written transportation requests for firm service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's DI Facility, on a firm basis, up to the Maximum Daily Quantity for the Delivery Period for each Path set forth in the FT-2 (DI) Transportation Service Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 74** Substitute Original Sheet No. 74 : Effective  
Superseding: Original Sheet No. 74

- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper, either directly or indirectly, from the Dedicated Lease(s) for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed FT-2 (DI) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's DI Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on a firm basis. Transporter shall not commence service until Transporter and Shipper have executed a FT-2 (DI) Transportation Service Agreement and a FT-2 (DI) Reserve Commitment Agreement.
  - 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule FT-2 (DI) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities.
  - 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
  - 2.5 Capacity available for firm transportation on Transporter's DI Facility (except that portion of Transporter's DI Facility being utilized as a portion of Transporter's MP Facility) shall be allocated among Shippers receiving service under Rate Schedules FT-1 (DI) and FT-2 (DI) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES
- 3.1 Receipt Point(s):  
  
The Primary Receipt Point(s) on Transporter's DI Facility shall be specified on Exhibit "A" to the FT-2 (DI) Transportation Service Agreement.
  - 3.2 Delivery Point(s):  
  
The Primary Delivery Point(s) on Transporter's DI Facility shall be specified on Exhibit "A" to the FT-2 (DI) Transportation Service Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 75** Substitute Original Sheet No. 75 : Effective  
Superseding: Original Sheet No. 75

3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rates for service under Rate Schedule FT-2 (DI) are the Maximum FT-2 (DI) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule FT-2 (DI), to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity and/or Reservation Rates for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 76** Substitute Original Sheet No. 76 : Effective  
Superseding: Original Sheet No. 76

Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the FT-2 (DI) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-2 (DI) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

4.5 Negotiated Rates:

Shipper and Transporter may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 4.1, 4.2 and 4.3 herein which may be less than, equal to or greater than the Maximum FT-2 (DI) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, shall not be less than Minimum FT-2 (DI) Rates set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, may be based on a rate design other than straight fixed variable and may include a minimum quantity. Such Negotiated Rate shall be set forth on Exhibit "C" of the executed Transportation Service Agreement and on the applicable currently effective sheets of Transporter's FERC Gas Tariff. The Maximum FT-2 (DI) Rates shall be available to any Shipper that does not choose a Negotiated Rate.

Shippers paying a Negotiated Rate which exceeds the Maximum FT-2 (DI) Rates will be considered to be paying the Maximum FT-2 (DI) Rates for purposes of scheduling, curtailment and interruption and matching competing bids for the right of first refusal. Acquiring Shippers may not bid or pay a rate greater than the Maximum FT-2 (DI) Rates and are not eligible for Negotiated Rates.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

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

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 19.7 of the General Terms and Conditions in order to establish the basis of accounting for revenue from an Acquiring Shipper as a means of preserving the economic basis of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit "C" of the executed Transportation Service Agreement. Nothing in this Section 4.5 shall authorize Transporter or Shipper to negotiate terms and conditions of service.

5. MONTHLY BILL AND REVENUE BANK

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to:

(a) Reservation Charge:

- (i) If the summation of the quantity of gas allocated to Shipper's FT-2 (DI) Transportation Service Agreement at the Delivery Point(s) in the month equals or exceeds 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (DI) Transportation Service Agreement for the month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the quantity of gas allocated to Shipper's FT-2 (DI) Transportation Service Agreement at the Delivery Point(s) during the month; or,
- (ii) If the summation of the quantity of gas allocated to Shipper's FT-2 (DI) Transportation Service Agreement at the Delivery Point(s) in the month is less than 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (DI) Transportation Service Agreement for the month, and multiplied by the number of days in the month: a reservation charge equal to the product of the applicable Reservation Rate multiplied by 75% of the total Maximum Daily Quantity for all Paths specified in the FT-2 (DI) Transportation Service Agreement, and

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 78** Substitute Original Sheet No. 78 : Effective  
Superseding: Original Sheet No. 78

multiplied by the number of days in the month  
(less any time transportation service was  
unavailable in accordance with Section 21.3 of  
the General Terms and Conditions of  
Transporter's FERC Gas Tariff); and,

- (b) Commodity Charge: The applicable Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, multiplied by the Dth of gas allocated to Shipper's FT-2 (DI) Transportation Service Agreement at the Delivery Point(s) in the month; and,
- (c) Other Charges: Any applicable surcharges set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff, any applicable New Facilities Charges pursuant to Section 4.2, and any Incidental Charges pursuant to Section 4.3.

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's DI Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable FT-2 (DI) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable FT-2 (DI) Transportation Service Agreement, which is in excess of one hundred five percent (105%) of Shipper's MDQ for the Path under the FT-2 (DI) Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 79** Substitute Original Sheet No. 79 : Effective  
Superseding: Original Sheet No. 79

(b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

5.4 A Revenue Bank shall be established consisting of the sixty (60) consecutive month period ending with the applicable month for which a monthly bill is being prepared (the "Credit Period"). If a period of sixty (60) consecutive months has not elapsed since the effective date of the FT-2 (DI) Transportation Service Agreement, the Credit Period shall be the time elapsed since such effective date until such a sixty (60) consecutive month period has elapsed. If the term or remaining term of the FT-2 (DI) Transportation Service Agreement is less than any sixty (60) consecutive month period, then the Credit Period shall be such lesser term or the remaining term of the FT-2 (DI) Transportation Service Agreement. In any month during the Credit Period in which Shipper's reservation charge is calculated under Subsection 5.1(a)(ii), an amount equal to the difference between (1) the reservation charge calculated under Subsection 5.1(a)(ii), and (2) the reservation charge that would have been calculated if Subsection 5.1(a)(i) had applied, shall be credited to the Revenue Bank. In any month during the Credit Period in which the summation of the quantity allocated to Shipper's FT-2 (DI) Transportation Service Agreement at the Delivery Point(s) exceeds 75% of the Maximum Daily Quantity for all Paths for the month (including quantities of gas under Section 5.2 as authorized overrun service, but excluding quantities under Section 5.3 as unauthorized overrun service), the amounts invoiced by Transporter for transportation quantities in excess of 75% of the summation of the Maximum Daily Quantity for all Paths for the month shall be offset with credits from the available balance in the Revenue Bank, utilizing the oldest component(s) first of the available balance in the Revenue Bank. Any balance remaining in the Revenue Bank at the termination of Shipper's FT-2 (DI) Transportation Service Agreement shall be retained by Transporter. The Revenue Bank shall not be applicable to firm transportation capacity rights released by Shipper and acquired by a third party in accordance with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

#### 6. REQUESTS FOR FT-2 (DI) TRANSPORTATION SERVICE

6.1 Any person desiring transportation service under Rate Schedule FT-2 (DI) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log, or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 80** Substitute Original Sheet No. 80 : Effective  
Superseding: Original Sheet No. 80

original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service and shall not be accepted unless capacity to render the service is available; provided, however, if construction of facilities is required, the request may be made at an earlier date.

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

- (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path. Shipper may request for each Path a separately stated MDQ under its FT-2 (DI) Transportation Service Agreement for specified delivery periods of not less than 12 consecutive months.
- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such point.
- (d) Term: The proposed commencement and termination dates of service.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

**Original Sheet No. 81** Original Sheet No. 81 : Effective

- (g) Dedicated Lease(s): Identification of the Dedicated Lease(s) by lease number and their location by Outer Continental Shelf or State Waters Blocks, and Shipper's interest therein.

6.3 Credit Evaluation:

- (a) Any person seeking new service from Transporter under Rate Schedule FT-2 (DI) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,
  - (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule FT-2 (DI) on behalf of 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 under Rate Schedule FT-2 (DI) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization,

arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

6.4 Prepayment for Service:

- (a) Any person requesting firm service under Rate Schedule FT-2 (DI) must, along with the request, submit a check made out to Transporter in an amount equal to the total reservation charge(s) applicable to the proposed service for the initial one month period. All such prepayments made to Transporter are to be sent to Transporter's designated bank at an address to be furnished by Transporter. Remittance should reference the Shipper's request ID number (to be furnished by Transporter).
- (b) If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing of Transporter's acceptance of Shipper's request for service. A FT-2 (DI) Transportation Service Agreement shall be executed between Transporter and Shipper. As of the effective date of the FT-2 (DI) Transportation Service Agreement, the entire amount of the prepayment shall be credited to Shipper's billing statements during the first months in which the Transportation Service Agreement is in effect until the total amount of the prepayment is credited to Shipper's billing statements. In the event that the FT-2 (DI) Transportation Service Agreement is not executed and returned to Transporter within 30 days after Transporter tendered it, Transporter shall consider the request for service invalid and retain the entire amount of the prepayment and interest.
- (c) If Transporter determines that firm capacity is not available to satisfy a request for service, then Transporter shall so notify the Shipper in writing, and the entire amount of the prepayment shall be refunded, with interest.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 83** First Revised Sheet No. 83 : Effective  
Superseding: Substitute Original Sheet No. 83

6.5 Modification of Service:

Any modification of an existing transportation service under Rate Schedule FT-2 (DI) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter. Transporter shall not be obligated to accept any modifications of an existing FT-2 (DI) Transportation Service Agreement, except as provided herein.

7. REDUCTIONS IN MDQ

Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any Path(s) under its FT-2 (DI) Transportation Service Agreement on ninety (90) days prior written notice to Transporter, with such reduction to be effective the first day of a month; provided, Shipper may not reduce the MDQ for any Path below the average daily Dth of gas transported on such Path under the FT-2 (DI) Transportation Service Agreement during the ninety (90) consecutive day period preceding the date Transporter receives Shipper's notice of reduction; provided, further, any day during which the production of gas is curtailed by Shipper or shut-in by Shipper shall be excluded in determining the average daily Dth of gas transported during such ninety (90) day period unless the curtailment or shut-in was due to the inability of an upstream gatherer to gather, or Transporter to transport, the gas. A reduction in the MDQ for a Path shall result in an equal reduction in the Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity associated with such Path. In consideration of the foregoing MDQ reduction rights, Shipper will agree to waive its rights to any revenues from a release of its FT-2 (DI) capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under its FT-2 (DI) Transportation Service Agreement as computed in accordance with said Section 19.

*Effective Date: 01/10/1999 Status: Effective*

*FERC Docket: RP99-181-000*

**First Revised Sheet No. 84** First Revised Sheet No. 84 : Effective

Superseding: Original Sheet No. 84

8. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 85 Through 87** Original Sheets No. 85 Through 87 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 88** Substitute Original Sheet No. 88 : Effective  
Superseding: Original Sheet No. 88  
RATE SCHEDULE IT-1 (DI)  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule IT-1 (DI) is available to any person (hereinafter called "Shipper") who requests transportation of natural gas on an interruptible basis through Transporter's DI Facility pursuant to Part 284 of the FERC's Regulations and who has executed an IT-1 (DI) Transportation Service Agreement with Dauphin Island Gathering Partners (hereinafter called "Transporter").
- 1.2 Transporter shall accept written transportation requests for interruptible service under this Rate Schedule on a first-come/first-served basis determined in accordance with the Shipper's transportation service request date. The transportation service request date shall be the date and time Transporter receives a Service Request Form from the Shipper pursuant to Section 6 of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the transportation of natural gas on Transporter's DI Facility, on an interruptible basis, when and to the extent that Transporter determines that capacity is available for the Path in Transporter's DI Facility, subject to the availability of capacity sufficient to provide service up to the Maximum Daily Quantity for each Path set forth in the IT-1 (DI) Transportation Service Agreement.
- 2.2 Transportation service hereunder shall consist of the acceptance by Transporter of up to the Maximum Daily Receipt Quantity of natural gas tendered by Shipper for transportation at the Receipt Point(s) specified in Exhibit "A" to the executed IT-1 (DI) Transportation Service Agreement, the transportation of that natural gas through the Path in Transporter's DI Facility specified in such Exhibit "A", and the delivery of equivalent quantities to Shipper or for Shipper's account up to the Maximum Daily Delivery Quantity at the Delivery Point(s) specified in such Exhibit "A", all on an interruptible basis. Transporter shall not commence service until Transporter and Shipper have executed an IT-1 (DI) Transportation Service Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 89** Substitute Original Sheet No. 89 : Effective  
Superseding: Original Sheet No. 89

- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. However, if Shipper agrees to a New Facilities Charge which will allow Transporter to provide the transportation service(s) requested by the Shipper, then Transporter shall install and operate the new facilities if such facilities do not adversely affect Transporter from providing transportation services under then existing Transportation Service Agreements subject to the receipt of all necessary regulatory authorizations. Nothing in this Rate Schedule IT-1 (DI) shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act to construct and/or operate such facilities or to provide service through such facilities.
- 2.4 Service under this Rate Schedule shall be nominated in accordance with the procedures set forth in Section 11 of Transporter's General Terms and Conditions.
- 2.5 Capacity available for interruptible transportation under Rate Schedule IT-1 (DI) shall be allocated among Shippers receiving service under Rate Schedule IT-1 (DI) in accordance with Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. DELIVERY AND RECEIPT POINTS, PRESSURES, UNIFORM QUANTITIES

3.1 Receipt Point(s):

All Receipt Points on Transporter's DI Facility shall be available as Receipt Points for gas transported under this Rate Schedule.

3.2 Delivery Point(s):

All Delivery Points on Transporter's DI Facility shall be available as Delivery Point(s) for gas transported under this Rate Schedule.

3.3 Pressures:

Shipper shall deliver gas to Transporter, and Transporter shall deliver gas at each Delivery Point, at the pressures as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. In no event shall Transporter or Shipper be required to install compression to effect deliveries hereunder.

3.4 Uniform Quantities:

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 90** Substitute Original Sheet No. 90 : Effective

Superseding: Original Sheet No. 90

4. RATES AND CHARGES

4.1 Applicable Rates:

The applicable rate for service under Rate Schedule IT-1 (DI) is the Maximum Commodity Rate for Rate Schedule IT-1 (DI) set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff; provided, however, upon notice to and concurrence by Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any transportation service under Rate Schedule IT-1 (DI) to any level not less than the Minimum nor more than the Maximum Rates established for this Rate Schedule and set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service on the Path(s) agreed upon by Transporter, and (b) shall be applicable for the quantity and period agreed upon by Transporter. Transporter shall file with the Commission the required reports of any adjustments below the Maximum Commodity Rate for service under this Rate Schedule. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount of \$3.50 per barrel for each barrel allocated to Shipper; a barrel shall equal 42 U.S. gallons.

4.2 New Facilities Charge:

In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup all of Transporter's costs associated with the new facilities constructed at the Shipper's request in order for Transporter to provide transportation service under this Rate Schedule. Such costs associated with the new facilities shall be paid by Shipper on a lump sum basis, unless an incremental fee basis is agreed upon by Shipper and Transporter. Neither the amount of any New Facilities Charge collected nor the costs of such facilities shall be recognized in establishing Transporter's general system rates. The applicable New Facilities Charge shall be stated in the IT-1 (DI) Transportation Service Agreement.

4.3 Incidental Charges:

In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which Shipper has received written notice of prior to the execution of the applicable Transportation Service Agreement and which have not been previously paid by Shipper. Transporter shall not use the amounts so collected either as revenues

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 91** Substitute Original Sheet No. 91 : Effective  
Superseding: Original Sheet No. 91

or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the IT-1 (DI) Transportation Service Agreement. No such charge shall be applicable to fees incurred pursuant to the certificate issued in Docket No. CP97-300-000.

4.4 Lost-And-Unaccounted-For Gas:

Shipper shall furnish, or be credited if a gain, its pro rata share of the quantity of lost-and-unaccounted-for gas associated with rendering transportation service pursuant to this Rate Schedule.

5. MONTHLY BILL

5.1 Monthly Bill:

The Monthly Bill for deliveries under this Rate Schedule shall be equal to the Commodity Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff multiplied by the Dth of natural gas allocated to Shipper's IT-1 (DI) Transportation Service Agreement at all Delivery Points in the month, and any applicable New Facilities Charges pursuant to Section 4.2, any Incidental Charges pursuant to Section 4.3, and any applicable surcharges as set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.2 Authorized Overrun Service:

Transporter may authorize Shipper to deliver at the Receipt Point(s) daily overrun quantities of gas to the extent that, in the sole judgment of Transporter, the capacity for the associated Path of Transporter's DI Facility will permit such transportation service without jeopardizing the ability of Transporter to meet all of its firm and other interruptible service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of gas which is authorized and received by Transporter during any day in excess of Shipper's MDQ for the Path under the applicable IT-1 (DI) Transportation Service Agreement. Any request for Authorized Daily Overrun Quantity must be made by Shipper at least twenty-four (24) hours prior to the beginning of the day to which such request relates. Transporter may waive a part or all of such advance notice requirement, if in its judgment, operating conditions permit such waiver. The formula for calculating such Overrun Service Rate is set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff.

5.3 Unauthorized Overrun Service:

- (a) Each Dth of gas received from Shipper on any day under the applicable IT-1 (DI) Transportation Service Agreement, which is in excess of one hundred five percent (105%) Shipper's MDQ for the Path under the IT-1 (DI)

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 92** Substitute Original Sheet No. 92 : Effective  
Superseding: Original Sheet No. 92

Transportation Service Agreement, which has not been authorized under Section 5.2 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the applicable month, in addition to all the charges set forth in Section 5.2 above.

- (b) Each Dth of gas received from Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable Maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Sections 5.2 and 5.3(a), above.

6. REQUESTS FOR IT-1 (DI) TRANSPORTATION SERVICE

- 6.1 Any person desiring transportation service under Rate Schedule IT-1 (DI) must provide the information required by this Section and on Transporter's Service Request Form in order to qualify for transportation service. No request for transportation service will be entered on Transporter's log or scheduled for receipt and delivery until a completed Service Request Form has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice and preserve the date and time that the original request was received by Transporter. A request for service shall be made no earlier than ninety days prior to the proposed commencement date of service; provided, however, if construction of facilities is required, the request may be made at an earlier date.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 93** Substitute Original Sheet No. 93 : Effective  
Superseding: Original Sheet No. 93

All completed Service Request Forms are to be sent to:

PanEnergy Dauphin Island Company  
5718 Westheimer, Suite 2000  
Houston, Texas 77057  
Attention: Offshore Transportation  
Telephone No.: 713-627-6200  
Facsimile No.: 713-627-6272

6.2 A request for transportation service must include the following:

- (a) Gas Quantities: The maximum daily quantity ("MDQ") applicable to each Path stated in Dth and the estimated total quantities to be received and transported over the delivery period for each Path.
- (b) Receipt Point(s): The designated Receipt Point(s) for the requested transportation, and associated Maximum Daily Receipt Quantity, together with the name of the entity delivering gas to Transporter at such Point.
- (c) Delivery Point(s): The designated Delivery Point(s) for the requested transportation, and associated Maximum Daily Delivery Quantity, together with the name of the entity receiving gas from Transporter at such Point.
- (d) Term: The proposed commencement and termination dates of service.
- (e) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have good title to the gas to be delivered to Transporter or the full right and authority to deliver such gas.
- (f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

6.3 Credit Evaluation:

- (a) Any person seeking service from Transporter under Rate Schedule IT-1 (DI) must provide in priority order:
  - (i) A copy of Shipper's audited financial statement for the most recent twelve months or Annual Report and Form 10-K; or if not available,

**Original Sheet No. 94** Original Sheet No. 94 : Effective

- (ii) A copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statement fairly represents the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles; and in all cases,
  - (iii) A list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- (b) In the event Shipper cannot provide the information in Subsection 6.3(a) above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under Rate Schedule IT-1 (DI) on behalf of 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 under Rate Schedule IT-1 (DI) if Shipper prepays for such service or furnishes 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 month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to in this Subsection 6.3(b) as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 95** Substitute Original Sheet No. 95 : Effective

Superseding: Original Sheet No. 95

6.4 Modification of Service:

Any modification of an existing transportation service under Rate Schedule IT-1 (DI) shall be requested by Shipper's submission of a new Service Request Form with a notation on the form that the service requested is a modification of an existing service. Such modification shall be effective after the request for service has been fully processed and accepted by Transporter.

7. GENERAL TERMS AND CONDITIONS

Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to the Commission's orders and regulations. The General Terms and Conditions specified in Volume No. 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule, to the extent not inconsistent herewith.

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 96 Through 100** Original Sheets No. 96 Through 100 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 101** Original Sheet No. 101 : Effective

GENERAL TERMS AND CONDITIONS  
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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

The following terms, when used in this Tariff, these General Terms and Conditions, or in a Transportation Service Agreement executed for service under a Rate Schedule contained in this Tariff, shall have the following meanings:

- (a) The "Bid Period" shall mean the length of time commencing with the posting of an Offer, pursuant to Section 19.9, and terminating at 2:00 p.m. CCT the day before nominations are due.
- (b) The terms "British thermal unit" or "Btu" shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58-1/2 to 59-1/2 degrees Fahrenheit at a constant pressure of 14.73 psia. For reporting purposes, Btu conversion factors should be reported to not less than three decimal places. The standard Btu is the International Btu, which is also called Btu(IT); the standard joule is the joule specified in the SI system of units.
- (c) The term "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.
- (d) The terms "Central Clock Time" or "CCT" shall mean central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.
- (e) The term "day" shall mean a period of twenty four consecutive hours, beginning and ending at 9:00 a.m. CCT.
- (f) The terms "Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One Dekatherm of gas shall mean the quantity of gas which contains one dekatherm of heat energy. The standard quantity for measurement, nominations, confirmations, scheduling, allocations and billing is Dekatherms per gas day in the United States and Gigajoules per gas day in Canada. (For reference 1 Dekatherm = 1,000,000 Btu; and 1 Gigajoule = 1,000,000,000 joules.) For commercial purposes, the standard conversion factor between Dekatherms and Gigajoules is 1.055056 Gigajoules per Dekatherm.

**First Revised Sheet No. 103** First Revised Sheet No. 103 : Effective  
Superseding: Substitute Original Sheet No. 103

- (g) The term "Delivery Point" shall mean the point of delivery for quantities of gas to be delivered by Transporter to Shipper, as described in the executed Transportation Service Agreement between Shipper and Transporter.
- (h) The term "equivalent quantities", unless otherwise stated in the Transportation Service Agreement, shall mean the thermal quantities of gas received by Transporter at the Receipt Point(s) for transportation adjusted for the thermal equivalent of (i) the hydrocarbon liquids that condense from the gas stream prior to the Delivery Point(s) and (ii) Shipper's pro rata share of lost-and-unaccounted-for gas (irrespective of whether a gain or loss) associated with the operation of Transporter's Facility. Equivalent quantities does not mean that Transporter will deliver at the Delivery Point(s) the same molecules of gas that were received from Shipper at the Receipt Point(s), it being recognized that gas is fungible.
- (i) The terms "Electronic Bulletin Board" or "EBB" shall mean the computer information publication system established by Transporter, as more fully described in Section 24.
- (j) The terms "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission.
- (k) The term "firm" shall mean not subject to interruption except as otherwise provided in Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP), the applicable Transportation Service Agreements, or the General Terms and Conditions of Transporter's FERC Gas Tariff.
- (l) The term "GISB" shall mean the Gas Industry Standards Board.
- (m) The term "GISB Standard" shall mean the standards issued by GISB and adopted by the Federal Energy Regulatory Commission.
- (n) The term "interruptible" shall mean subject to interruption when and to the extent that Transporter determines that capacity is not available in its existing facilities, and as provided in Rate Schedule IT-1 (MP) or IT-1 (DI), the applicable Transportation Service Agreement, or the General Terms and Conditions of Transporter's FERC Gas Tariff.
- (o) The term "lost-and-unaccounted-for gas" shall be calculated each month as a sum of the following:

**Original Sheet No. 103A** Original Sheet No. 103A : Effective

- (i) For those Shippers on Transporter's MP Facility, if Shipper's gas is transported through all or any portion of the Path between the MP 225 Receipt Point and the Coden Delivery Point (irrespective of whether such gas flows to the existing Coden Delivery Point or through the MP 225 Receipt Point to another Delivery Point), Shipper's pro rata share in the lost-and-unaccounted-for gas associated with such Path.
  
- (ii) For those Shippers on Transporter's MP Facility, if Shipper's gas is transported through all or any portion of the Path between the MP 225 Receipt Point and the MP 164 Delivery Point (irrespective of whether such gas flows to the MP 164 Delivery Point or through the MP 225 Receipt Point to another Delivery Point), Shipper's pro rata share in the lost-and-unaccounted-for gas associated with such Path; provided, however, that until metering equipment is installed to measure gas delivered at the MP 164 Delivery Point, such share shall be zero.
  
- (iii) For those Shippers on Transporter's DI Facility, if Shipper's gas is transported through all or any portion of the Path between the AST 73 Receipt Point and the Coden Delivery Point (irrespective of whether such gas flows to the existing Coden Delivery Point or to another Delivery Point), Shipper's pro rata share in the lost-and-unaccounted-for gas associated with such Path; provided, however, in lieu of measurement at the AST 73 Receipt Point, measurement for purposes of the calculation of lost-and-unaccounted-for gas shall be at those points upstream of the AST 73 Receipt Point where gas is measured.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 104** First Revised Sheet No. 104 : Effective  
Superseding: Substitute Original Sheet No. 104

- (p) The term "Main Pass Gas Gathering System" or "MPS" shall mean those gas gathering lines and laterals located in the Main Pass Area East and Viosca Knoll Area (containing Viosca Knoll Block numbers greater than 610), offshore Louisiana, connected to Transporter's MP Facility.
- (q) The terms "Maximum Daily Quantity" or "MDQ" shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on each Path specified on Exhibit "A" attached to the applicable Transportation Service Agreement, for the account of Shipper on any day during the term of and in accordance with Shipper's Transportation Service Agreement.
- (r) The term "Mcf" shall mean 1,000 cubic feet of gas.
- (s) The term "MDQ make-up nomination" shall mean a nomination by Shipper pursuant to a Transportation Service Agreement under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) which if accepted by Transporter would result in the total of all nominations by the same Shipper exceeding the MDQ for all Paths under the associated Transportation Service Agreement. A MDQ make-up nomination shall only be valid ("valid MDQ make-up nomination") if under the associated Transportation Service Agreement the total of Shipper's scheduled quantities at Receipt Points is less than the total of the MDQ for all Paths when both are summed over the number of days in the then current month prior to the date of the make-up nomination.
- (t) The terms "Maximum Daily Delivery Quantity" or "MDDQ" shall mean the maximum daily quantity of gas in Dth that Transporter shall deliver to or for the account of Shipper at each Delivery Point on each day during the term of and in accordance with Shipper's Transportation Service Agreement, as set forth on Exhibit "A" to the Transportation Service Agreement. The MDDQ shall be equal to the MDQ for the applicable Path.
- (u) The terms "Maximum Daily Receipt Quantity" or "MDRQ" shall mean the maximum daily quantity of gas in Dth that Transporter shall receive from or for the account of Shipper at each Receipt Point on each day during the term of and in accordance with Shipper's Transportation Service Agreement, as set forth on Exhibit "A" to the Transportation Service Agreement. The MDRQ shall be equal to the MDQ for the applicable Path.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 105** First Revised Sheet No. 105 : Effective  
Superseding: Original Sheet No. 105

- (v) The term "month" shall mean the period beginning at 9:00 a.m. CCT on the first day of the calendar month and ending 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- (w) The terms "natural gas" or "gas" shall mean any mixture of hydrocarbons consisting essentially of methane, other hydrocarbons, and noncombustible gases in a gaseous state which is extracted from the subsurface of the earth in its natural state meeting the quality specifications set forth in Section 2 hereof.
- (x) The term "Negotiated Rate" shall mean the rate agreed to by Shipper and Transporter which may be less than, equal to or greater than the Maximum Rate but shall not be less than the Minimum Rate set forth on the applicable currently effective sheets of Transporter's FERC Gas Tariff. The Negotiated Rate may be based on a rate design other than straight fixed variable and may include a minimum quantity.
- (y) The term "new facilities" shall mean those facilities on Transporter's system which were not included in the certificate filing in Docket CP97-300-000 which are necessary in order for Transporter to provide the transportation service(s) that a Shipper requests by use of the Service Request Form (for example, a new, additional Receipt and/or Delivery Point).
- (z) The term "Nomination Period" shall mean a period of time a customer includes in a nomination for gas service.
- (aa) The term "Operational Balancing Agreement" or "OBA" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- (ab) The term "Path" shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement.
- (ac) The term "psia" shall mean pounds per square inch absolute.
- (ad) The term "psig" shall mean pounds per square inch gauge.

**First Revised Sheet No. 106** First Revised Sheet No. 106 : Effective  
Superseding: Substitute Original Sheet No. 106

- (ae) The term "scheduled quantity" shall mean the quantity of natural gas in Dth that (a) Shipper nominates for receipt by Transporter at a Receipt Point (including lost-and-unaccounted-for gas) and/or for redelivery by Transporter to Shipper at a Delivery Point, and that (b) Transporter schedules for receipt or delivery, and that (c) the operator of the connecting facilities confirms.
- (af) The term "Shipper" shall mean a party which executes a Transportation Service Agreement with Transporter for a natural gas transportation service under Transporter's Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI), FT-3 (MP), IT-1 (MP) or IT-1(DI).
- (ag) The term "Spot Price Index" for each specific month shall mean the Coden Index Price and/or TETCO Index Price, as provided below and as determined in accordance with Subsection 13.3(d), during the month the Unauthorized Overrun Service was incurred. For a Transportation Service Agreement applicable to Transporter's MP Facility, the Spot Price Index will be equal to the simple average of the Coden Index Price and the TETCO Index Price. For a Transportation Service Agreement applicable to Transporter's DI Facility, the Spot Price Index will be equal to the Coden Index Price. In the event the publication provided for in Subsection 13.3(d) or specific postings contained therein are discontinued, are not representative of market conditions, or as Delivery Points are added to or removed from Transporter's Facility, Transporter will revise Subsection 13.3(d) to substitute another price generally accepted in the natural gas industry. Until Transporter receives approval from the Commission to use such substitute price, Transporter will continue to calculate the Spot Price Index each month based on the remaining representative prices.
- (ah) The term "total heating value" shall mean the number of Btu produced by the complete combustion with air, at constant pressure, of 1 anhydrous (dry) cubic foot of gas, at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 dry psia (101.325 kPa and 15.6 degrees Celsius), and when the products of combustion are cooled to the initial temperature of the gas and air and all water formed by combustion is condensed to the liquid state. The total heating value (BTU per cubic foot of gas) shall be stated to at least the third decimal point for reporting purposes and to at least the third decimal place for calculation purposes.
- (ai) The term "transportation service" shall include transportation, exchange, and/or backhaul service.
- (aj) The term "Transporter" shall mean Dauphin Island Gathering Partners.
- (ak) The term "Transporter's DI Facility" shall mean Transporter's Dauphin Island transmission system extending from a platform in Alabama State Tract 73, offshore Alabama, to points onshore in Mobile County, Alabama, and any transmission laterals connected thereto owned by Transporter.

Effective Date: 01/10/1999 Status: Effective

FERC Docket: RP99-181-000

**First Revised Sheet No. 107** First Revised Sheet No. 107 : Effective

Superseding: Substitute Original Sheet No. 107

(al) The term "Transporter's Facility" shall mean Transporter's MP Facility and Transporter's DI Facility.

(am) The term "Transporter's MP Facility" shall mean Transporter's Main Pass transmission system extending from a platform in Main Pass Block 225, offshore Louisiana, to (i) points onshore in Mobile County, Alabama, utilizing Transporter's DI Facility, and (ii) an interconnection with Texas Eastern Transmission Corporation in Main Pass Block 164, offshore Louisiana; it shall also include any transmission laterals connected thereto owned by Transporter.

(an) The term "year" shall mean a period of 365 consecutive days; provided, however, that any year which contains a date of February 29 shall consist of 366 consecutive days.

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 108 Through 110** Original Sheets No. 108 Through 110 : Effective

Reserved for Future Use



2. QUALITY

The quality specifications herein shall apply to all gas delivered to Transporter by Shipper under all Rate Schedules.

2.1 Specifications:

All gas delivered or caused to be delivered by Shipper to Transporter at the Receipt Point(s) shall conform to the following quality specifications, any of which may be waived by Transporter in its discretion on a nondiscriminatory basis:

- (a) Oxygen. The gas shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Shipper shall make every reasonable effort to keep the gas free of oxygen.
- (b) Liquids and Water Vapor. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received at the Receipt Point(s), and shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.
- (c) Hydrogen Sulfide. The gas shall not contain more than 0.25 of a grain of hydrogen sulfide per hundred cubic feet.
- (d) Temperature. The gas shall have a temperature of not more than one hundred twenty degrees (120) Fahrenheit and not less than forty (40) degrees Fahrenheit.
- (e) Sulfur. The gas shall not contain more than ten (10) grains of total sulfur per hundred cubic feet.
- (f) Carbon Dioxide/Nitrogen. The gas shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, that the total carbon dioxide content shall not exceed two percent (2%) by volume; provided further, that the total nitrogen content shall not exceed two percent (2%) by volume.

**First Revised Sheet No. 112** First Revised Sheet No. 112 : Effective  
Superseding: Substitute Original Sheet No. 112

- (g) Impurities. The gas shall be free from polychlorinated biphenyls and commercially free (at prevailing pressure and temperature in Transporter's Facility) from dust, gums, sand, oil or other foreign substances which may be injurious to Transporter's Facility or other facilities.
- (h) Total Heating Value. No gas received hereunder at any Receipt Point(s) shall have a total heating value in excess of or below that permitted by the most strict quality specification for minimum or maximum, as applicable, total heating value of the downstream pipelines at all Delivery Points; provided, Transporter shall accept receipt of gas not meeting such total heating value specification if Shipper processes such gas or has it processed to comply with such specification prior to the delivery of such gas to the downstream pipeline(s) at the Delivery Point(s).

Notwithstanding 2.1(a) through (g) above, inclusive, all gas delivered or caused to be delivered by Shipper to Transporter at the Receipt Point(s) shall conform to the most strict quality specification of the downstream pipelines at the Delivery Points for each individual quality specification, any of which may be waived by Transporter in its discretion on a nondiscriminatory basis.

## 2.2 Blending and Failure to Conform

Notwithstanding 2.1(a) through (g) above, inclusive, gas may be delivered by Shipper at a Receipt Point which does not meet the quality specifications defined in 2.1(a) through (g) above, inclusive, so long as the blended gas stream at all Delivery Points meets the quality specifications, and so long as the safety and reliability of Transporter's system is not impaired, in Transporter's sole opinion, exercised in good faith; provided, however, if the blended gas stream at all Delivery Points does not meet the quality specifications or the safety and reliability of Transporter's system is impaired, in Transporter's sole opinion, exercised in good faith, Transporter will notify Shipper of such deficiency and if Shipper fails to remedy such deficiency promptly, the gas at the Receipt Point(s) most out of compliance with the quality specification shall be shut-in until the blended gas stream at the Delivery Point(s) meets the quality specification; and, if more than one Receipt Point is equally out of compliance, the shut-in shall be pro-rata as to those Receipt Points; provided further, that nothing herein shall restrict Transporter's right to refuse to accept further receipt of gas tendered for delivery to Transporter by Shipper which fails at any time to conform to the quality specifications in 2.1(a) through (g) above if the safety and reliability of Transporter's system is impaired, in Transporter's sole opinion, exercised in good faith.

*Effective Date: 01/10/1999 Status: Effective*

*FERC Docket: RP99-181-000*

**Original Sheet No. 112A** Original Sheet No. 112A : Effective

- 2.3 Tests to determine the sulfur, hydrogen sulfide, oxygen, carbon dioxide and nitrogen content shall be made by approved standard methods in general use in the gas industry.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 113 Through 115** Original Sheets No. 113 Through 115 : Effective

Reserved for Future Use

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

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

3. MEASUREMENT

3.1 Unit of Volume:

The unit of volume shall be a cubic foot.

3.2 Measurement of Volume:

- (a) When gas is delivered at a pressure different from 14.73 psia, then for the purpose of measurement hereunder, such volumes of gas shall be corrected to a pressure of 14.73 psia. The measurement of gas volumes shall be adjusted for deviation from Boyle's Law in accordance with generally accepted engineering practice. For reporting and calculation purposes, the factor used to correct to the pressure base of 14.73 psia shall be stated to at least the sixth decimal place.
- (b) Where orifice meters are used, volumes delivered shall be computed in accordance with formulae, tables and methods prescribed in Orifice Metering of natural gas and other related hydrocarbons fluids, AGA Report No. 3 - ANSI/API 2530, as revised September 1985, and as such report may hereafter be further revised (i.e. AGA Report No. 3, 1992 Edition and AGA Report No. 8), or other formulae, tables and methods acceptable to the Minerals Management Service. Exact measurements of inside diameters of meter tubes shall be obtained by means of micrometer to the nearest one-thousandth inch. The standard for Electronic Gas Measurement shall be API Chapter 21.1. Said volumes shall be corrected for flowing temperature and specific gravity in accordance with the provisions of Subsections 3.2(c) and 3.2(d) below.
- (c) The flowing temperature of the gas shall be determined for the purpose of measured volume correction. Volume shall be corrected for each degree of variation in the flowing temperature from 60 degrees Fahrenheit. The flowing temperature will be measured by the continuous use of temperature transducers, and shall be either (1) recorded using digital recorders, or other mutually agreeable

**First Revised Sheet No. 117** First Revised Sheet No. 117 : Effective  
Superseding: Original Sheet No. 117

- recording devices in which case the temperature at which gas was measured for the period of such record shall be the arithmetic average of the record during the period of time during which gas was flowing, or (2) used for on-site flow computations in electronic flow computers in which case the instantaneous measurement of temperature will be used in such computations.
- (d) Each month a specific gravity correction shall be applied to measured volumes based upon the specific gravity determined or sampled during that month. The specific gravity to be used for such correction shall be determined at an appropriate location from a continuous sampling device, by a gravitometer, chromatograph or other device of standard manufacture and shall be either (1) recorded using digital recorders or other mutually agreeable recording device in which case an arithmetic average (to be determined during the period of time during which flow was occurring at the location of the specific gravity recorder) of such record shall be the specific gravity of the gas being measured, or (2) used for flow computations in electronic flow computers in which case the value of the specific gravity being measured will be used as appropriate in such computations. If a continuous specific gravity measuring device is not installed or available at an appropriate location, then specific gravity shall be determined monthly from a continuous sampling device or by a mutually agreeable method.
- (e) Each month a gross heating value correction shall be applied to measured volumes based upon the gross heating value determined or sampled during that month. The gross heating value shall be determined at an appropriate location from a continuous sampling device, by a calorimeter, chromatograph or other device of standard manufacture and shall be either (1) recorded using digital recorders or other mutually agreeable recording device in which case arithmetic average (to be determined during the period of time during which flow was occurring at the location of the gross heating value recorder) of such record shall be the gross heating value of the gas being measured, or (2) entered as an input to electronic flow computers in which case the gross heating value being measured will be used in the computation of the Btu content of the gas. If a gross heating value measuring device is not installed or available at an appropriate location, then the gross heating value shall be determined monthly from a continuous sampling device or by a mutually agreeable method.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 118 Through 120** Original Sheets No. 118 Through 120 : Effective

Reserved for Future Use

Effective Date: 01/10/1999 Status: Effective

FERC Docket: RP99-181-000

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

Superseding: Original Sheet No. 121

4. MEASURING EQUIPMENT

4.1 Transporter's Measuring Equipment:

Gas delivered to Transporter and by Transporter to or for the account of Shipper shall be measured by meters installed, operated, and maintained by Transporter, or such meters as Transporter causes to be installed, operated, and maintained, equipped to record daily and hourly deliveries. Measurement data may be recorded using electronic recorders or instantaneous flow computations in electronic flow computers, and shall be so recorded at the Receipt Point(s) and Delivery Point(s). Orifice meter installations shall conform to the recommendations for design and installation contained in AGA Report No. 3, as revised September 1985, and as such report may hereafter be further revised. Positive displacement meter installation shall conform to generally accepted engineering practices in the industry.

4.2 Testing Measuring Equipment:

Transporter shall test its meters, installed as provided in Section 4.1 above, at intervals of a maximum of sixty (60) days or such lesser time as may be required by the Minerals Management Service. Transporter shall test thermometers, gravimeters, calorimeter, chromatographs and other equipment installed as provided in Subsections 3.2(c), and 3.2(d) above, at intervals of a maximum of thirty (30) days or such lesser time as may be required by the Minerals Management Service. Transporter will notify Shippers in time to permit Shipper to witness at its expense such test if Shipper so elects.

4.3 Correction of Metering Errors:

If Transporter's measurement equipment installed under Section 4.1 above or any other equipment installed under Subsections 3.2(c) and 3.2(d) above is found to be inoperative or inaccurate, such equipment shall be adjusted to register correctly, and the amount of error shall be determined by the most accurate method feasible. If the inaccuracy shall have resulted in an error of more than 1%



**First Revised Sheet No. 122** First Revised Sheet No. 122 : Effective  
Superseding: Original Sheet No. 122

in the measurement of gas, then the calculated deliveries of gas shall be adjusted to compensate for such error. Such adjustment shall be made for such period of inaccuracy as may be definitely known. If the period of inaccuracy shall not be definitely known, then such adjustment shall be made for the last half of the period (but not exceeding 15 days) between the time the metering equipment was adjusted to register correctly and the date of the last previous meter test. If for any reason the measuring equipment is out of service or out of repair so that the amount of gas delivered cannot be ascertained or computed from the readings thereof, the amount of gas delivered during such period shall be estimated and agreed upon by the use of the first of the following methods which is feasible: (a) by using the registration of any check measuring equipment if installed and accurately registering; (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or (c) by estimating the quantity of gas delivered by reference to actual deliveries during proceeding periods under similar conditions when the equipment in question was registering accurately.

4.4 Check Measuring Equipment:

Shipper may install, maintain and operate, at its own expense, such check measuring equipment upstream of Transporter's measurement equipment at the Receipt Point(s) as it shall desire, provided that such equipment shall be so installed as not to interfere with the operation of Transporter's measuring equipment.

4.5 Retention of Records:

All original records of measurement or test data compiled by either party in conjunction with the provisions of Transporter's Rate Schedules and these General Terms and Conditions shall be preserved by the party for a minimum period of three (3) years from the date the record was made or such longer period as may be required by law or governmental authority, and for so long thereafter as any disputes exist between Shipper and Transporter regarding measurement or inspections.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 123** Original Sheet No. 123 : Effective

4.6 Prior Period Adjustments:

The deadline for the closing of measurement data is 5 business days after the business month. Measurement data available upstream of aggregated points shall be sent to the allocating party and used to allocate the aggregated quantity back to the upstream points. Estimate missing or late measurement data and treat actual as a prior period adjustment, with the measuring party to provide the estimate. For treatment of measurement prior period adjustments, Transporter will treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. For reporting measurement prior period adjustments, Transporter will report it with the restated line item with new total quantity for the day and the month. Measurement data corrections shall be processed within 6 months of the production month with a 3 month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 124** Substitute Original Sheet No. 124 : Effective  
Superseding: Original Sheet No. 124

5. RECEIPT AND DELIVERY POINTS

5.1 Receipt Point(s) :

The Receipt Point(s), the location of which shall be specified on Exhibit "A" to the Transportation Service Agreement(s), shall be at the inlet side of Transporter's measurement facilities, or such other point as may be mutually agreed upon between Transporter and Shipper. The transfer of the possession and custody of the gas from Shipper to Transporter shall occur at the Receipt Point.

Each Receipt Point listed on Exhibit "A" to a Transportation Service Agreement ("Primary Receipt Point(s)") shall specify on said Exhibit "A" the Maximum Daily Receipt Quantity ("MDRQ") of gas to be received from Shipper for transportation at said point. The MDRQ specified on the Exhibit "A" to a Transportation Service Agreement shall be equal to the Maximum Daily Quantity specified for the applicable Path in the same Transportation Service Agreement.

All Receipt Points on Transporter's MP Facility not listed on Exhibit "A" of Shipper's FT-1 (MP), FT-2 (MP) or FT-3 (MP) Transportation Service Agreement shall be considered Secondary Receipt Points under that Agreement. All Receipt Points on Transporter's DI Facility not listed on Exhibit "A" of Shipper's FT-1 (DI) or FT-2 (DI) Transportation Service Agreement shall be considered Secondary Receipt Points under that Agreement.

5.2 Delivery Point(s) :

The Delivery Point(s), the location of which shall be specified on Exhibit "A" to the Transportation Service Agreement(s), shall be at the outlet side of Transporter's measurement facilities, or the inlet side of the measurement facilities of the downstream transporter at the specific Delivery Point(s), or such other point as may be mutually agreed upon between Transporter and Shipper. The transfer of the possession and custody of the gas from Transporter to Shipper shall occur at the Delivery Point.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 125** Substitute Original Sheet No. 125 : Effective  
Superseding: Original Sheet No. 125

Each Delivery Point listed on Exhibit "A" to a Transportation Service Agreement ("Primary Delivery Point(s)") shall specify on said Exhibit "A" the Maximum Daily Delivery Quantity ("MDDQ") of gas to be delivered by Transporter to Shipper at said point. The MDDQ specified on the Exhibit "A" to a Transportation Service Agreement shall be equal to the Maximum Daily Quantity for the applicable Path specified in the same Transportation Service Agreement.

All Delivery Points on Transporter's MP Facility not listed on Exhibit "A" of Shipper's FT-1 (MP), FT-2 (MP) or FT-3 (MP) Transportation Service Agreement shall be considered Secondary Delivery Points under that Agreement. All Delivery Points on Transporter's DI Facility not listed on Exhibit "A" of Shipper's FT-1 (DI) or FT-2 (DI) Transportation Service Agreement shall be considered Secondary Delivery Points under that Agreement.

5.3 Addition/Deletion of Existing Receipt Points:

For service performed under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI), FT-3 (MP), IT-1 (MP) and IT-1 (DI), Shipper may give notice to Transporter, by use of the Service Request Form, of its request to add any existing Receipt Point on Transporter's system as a Primary Receipt Point on Exhibit "A" to its Transportation Service Agreement in lieu of a Primary Receipt Point listed on such Exhibit "A", or delete any Primary Receipt Point and associated Path on Exhibit "A" to the Transportation Service Agreement. A revised Exhibit "A" to the Transportation Service Agreement indicating the requested change(s) shall be executed. Any change to an existing Exhibit "A" shall not interfere with the Primary Receipt Point(s) and associated MDRQ in an existing Exhibit "A" to a FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 126** Substitute Original Sheet No. 126 : Effective  
Superseding: Original Sheet No. 126

Shipper may request the addition of an existing Receipt Point as a Primary Receipt Point only to the extent that such point and the associated Path is available under the applicable Rate Schedule.

For service performed under Rate Schedules IT-1 (MP) and IT-1 (DI), Transporter shall maintain on its EBB an updated list of all Receipt Points available for interruptible transportation service under each Rate Schedule.

Nothing contained in this Section 5.3 shall be construed to allow Shipper to nominate gas for transportation in excess of the Maximum Daily Quantity for a Path under its Transportation Service Agreement(s); provided, however, a Shipper's Maximum Daily Quantity for a Path under its Transportation Service Agreement shall not be deemed to have been exceeded by the nominating of (i) its pro rata share of lost-and-unaccounted-for gas, (ii) gas quantities designated as "MDQ make-up nomination" gas under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP), and (iii) Authorized Daily Overrun Quantity.

5.4 Addition/Deletion of Existing Delivery Point(s) :

For service performed under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI), FT-3 (MP), IT-1 (MP) and IT-1 (DI), Shipper may give notice to Transporter, by use of the Service Request Form, of its request to add any existing Delivery Point on Transporter's system as a Primary Delivery Point on Exhibit "A" to its Transportation Service Agreement in lieu of a Primary Delivery Point listed on such Exhibit "A", or delete any Primary Delivery Point and associated Path on Exhibit "A" to the Transportation Service Agreement. A revised Exhibit "A" to the Transportation Service Agreement indicating the requested change(s) shall be executed. Any change to an existing Exhibit "A" shall not interfere with the Primary Delivery Point(s) and associated MDDQ in an existing Exhibit "A" to a FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement. Shipper may request the addition of an existing Delivery Point as a Primary Delivery Point only to the extent that such point and associated Path is available under the applicable Rate Schedule.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 127** Substitute Original Sheet No. 127 : Effective  
Superseding: Original Sheet No. 127

For service performed under Rate Schedules IT-1 (MP) and IT-1 (DI), Transporter shall maintain on its EBB an updated list of all Delivery Points available for interruptible transportation service under each Rate Schedule.

Nothing contained in this Section 5.4 shall be construed to allow Shipper to nominate gas for transportation on any day in excess of the Maximum Daily Quantity for a Path under its Transportation Service Agreement(s). Provided, however, a Shipper's Maximum Daily Quantity for a Path under its Transportation Service Agreement shall not be deemed to have been exceeded by the nominating of (i) its pro rata share of lost-and-unaccounted-for gas, (ii) gas quantities designated as "MDQ make-up nomination" gas under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP), and (iii) Authorized Daily Overrun Quantity.

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 128 Through 130** Original Sheets No. 128 Through 130 : Effective

Reserved for Future Use

6. PRESSURE

6.1 Receipt Point(s):

All gas to be transported for Shipper shall be delivered to Transporter at pressures sufficient to enter Transporter's Facility at such working pressures maintained by Transporter at each Receipt Point; provided, however, that such pressures shall not exceed Transporter's maximum allowable operating pressures at each such point. Transporter shall operate its system so that the pressure at each Receipt Point shall not exceed the Maximum Receipt Point Pressure as stated on Exhibit "A" of the applicable Transportation Service Agreement(s).

6.2 Delivery Point(s):

Gas will be delivered by Transporter at each Delivery Point on Exhibit "A" to the Transportation Service Agreement against the pressures maintained in the downstream pipeline from time to time, but not in excess of Transporter's maximum allowable operating pressure at such Delivery Point. Notwithstanding the foregoing, Transporter shall not be obligated to install compression to effect such delivery.



*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 132 Through 134** Original Sheets No. 132 Through 134 : Effective

Reserved for Future Use

7. CONTROL/FORCE MAJEURE

7.1 Control of Gas:

For the purpose of determining the liability of Transporter and Shipper, respectively, Shipper shall be deemed to be in exclusive control and possession of the gas to be transported (i) until such gas has been actually received by Transporter at the Receipt Point, and (ii) after the gas has been delivered to or for the account of Shipper hereunder by Transporter at the Delivery Point. Transporter shall be deemed to be in exclusive control and possession of the gas transported hereunder after it is delivered to Transporter at the Receipt Point and until it is redelivered to Shipper at the Delivery Point.

7.2 Responsibility and Liability:

The party deemed to be in control and possession of the gas to be transported shall be responsible for and shall indemnify the other party with respect to any losses, claims, liabilities, damages and expenses, including court costs and reasonable attorney's fees (except punitive, incidental, consequential or special damages), arising therefrom except to the extent such losses, claims, liabilities and expenses arise from the other party's sole, joint, or concurrent negligence, or gross negligence, or intentional or willful misconduct.

7.3 Force Majeure:

- (a) In the event of either Transporter or Shipper being rendered unable, wholly or in part, by Force Majeure to carry out its obligations under the Transportation Service Agreement, other than the obligation to make payments due thereunder (including the payment of any applicable reservation charges) it is agreed that, on such party giving notice and full particulars of such Force Majeure in writing or by telephone (followed by written confirmation) or by facsimile transmission to the other party as soon as reasonably possible after the occurrence of the cause relied on, the obligations of the party giving such notice (other than the obligation to make payments due, including the payment of any applicable reservation charges), so far as they are affected by such Force Majeure, shall be excused during the continuance of any inability so caused but for no longer period; and such cause shall as far as possible be remedied with all reasonable dispatch.

- (b) The term "Force Majeure" shall mean any event or condition whether affecting Transporter or Shipper or any other person, which has prevented, hindered or delayed either Transporter or Shipper from performing any obligation hereunder in whole or in part, if such event or condition is beyond the reasonable control of the party claiming Force Majeure. Such events or condition shall include, but not be limited to: acts of God; strikes, lockouts or other industrial disturbances; sabotage, acts of the public enemy, wars, blockade, insurrections, riots or epidemics; landslides, lightning, earthquakes, fires, hurricanes, storms, storm warnings, floods or washouts; arrests and restraints of governments and people or civil disturbances; explosions, breakage or accident to plants, platforms, equipment, machinery or lines of pipe; freezing of wells, or lines of pipe; abandonment from jurisdiction under the Natural Gas Act of any pipelines immediately connected to Transporter's facilities; acts of government or the necessity of complying with any governmental or judicial rule or order; and any other causes, whether of the kind herein enumerated or otherwise, whether affecting Transporter or Shipper, or upstream or downstream transporters or gatherers immediately connected to Transporter's facilities, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome; such term shall likewise include the inability of either party to acquire, or delays on the part of such party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights-of-way grants, permits, permissions, certificates, authorizations, licenses, materials or supplies which are required to enable such party to fulfill its obligations hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the person affected, and the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected thereby.
- (c) If an incident of Force Majeure claimed by Transporter prevents Transporter from performing transportation service for Shippers under existing Transportation Service Agreements under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) and FT-3 (MP), then to the degree such service is not available for those Shippers' use, no reservation charge will be collected by Transporter for the degree of service not available to those Shippers.

- (b) The term "Force Majeure" shall mean any event or condition whether affecting Transporter or Shipper or any other person, which has prevented, hindered or delayed either Transporter or Shipper from performing any obligation hereunder in whole or in part, if such event or condition is beyond the reasonable control of the party claiming Force Majeure. Such events or condition shall include, but not be limited to: acts of God; strikes, lockouts or other industrial disturbances; sabotage, acts of the public enemy, wars, blockade, insurrections, riots or epidemics; landslides, lightning, earthquakes, fires, hurricanes, storms, storm warnings, floods or washouts; arrests and restraints of governments and people or civil disturbances; explosions, breakage or accident to plants, platforms, equipment, machinery or lines of pipe; freezing of wells, or lines of pipe; abandonment from jurisdiction under the Natural Gas Act of any pipelines immediately connected to Transporter's facilities; acts of government or the necessity of complying with any governmental or judicial rule or order; and any other causes, whether of the kind herein enumerated or otherwise, whether affecting Transporter or Shipper, or upstream or downstream transporters or gatherers immediately connected to Transporter's facilities, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome; such term shall likewise include the inability of either party to acquire, or delays on the part of such party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights-of-way grants, permits, permissions, certificates, authorizations, licenses, materials or supplies which are required to enable such party to fulfill its obligations hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the person affected, and the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected thereby.
- (c) If an incident of Force Majeure claimed by Transporter prevents Transporter from performing transportation service for Shippers under existing Transportation Service Agreements under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) and FT-3 (MP), then to the degree such service is not available for those Shippers' use, no reservation charge will be collected by Transporter for the degree of service not available to those Shippers.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 138 Through 140** Original Sheets No. 138 Through 140 : Effective

Reserved for Future Use

8. WARRANTY OF TITLE

Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery of gas to Transporter for transportation hereunder, good title to the gas or the full right and authority to deliver such gas, and that all such gas shall be free and clear of all liens, encumbrances and claims whatsoever. Transporter warrants for itself, its successors and assigns, that the gas it delivers hereunder to or for the account of Shipper at the Delivery Point(s) shall be free and clear of all liens, encumbrances and claims whatsoever. Each party will indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses (including court cost and reasonable attorney fees) arising from or out of the indemnifying party's breach of the foregoing warranty; including, but not limited to, adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees, or charges which attach or relate to the gas. If Shipper's title or right to deliver gas to Transporter is questioned or involved in any action, Transporter may cease to allow Shipper to continue to receive service under the impacted Transportation Service Agreement until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this FERC Gas Tariff and the impacted Transportation Service Agreement if Shipper furnishes a bond satisfactory to Transporter. Title to the gas received by Transporter at the Receipt Point(s) shall not pass to Transporter.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 142** Original Sheet No. 142 : Effective

9. UNIFORM RATES OF FLOW

Except as otherwise provided in Section 3.4 of Rate Schedule FT-3 (MP), all gas delivered to or by Transporter under its Rate Schedules shall be delivered at rates as constant as operationally feasible throughout the day. Transporter shall not be obligated to deliver gas under any Rate Schedule in excess of uniform hourly rates.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 143** Original Sheet No. 143 : Effective

10. INSTALLATION OF FLOW CONTROL EQUIPMENT

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



Effective Date: 11/02/1998 Status: Effective  
FERC Docket: RP99- 50-000

**First Revised Sheet No. 144** First Revised Sheet No. 144 : Effective  
Superseding: Substitute Original Sheet No. 144

11. NOMINATIONS

11.1 Nomination Procedures:

- (a) General: Shipper shall nominate gas for transportation under its Transportation Service Agreement(s) by notifying Transporter, electronically or by facsimile, of the daily quantity of gas it has available for transportation at each Receipt Point and of the quantity of gas it desires to have delivered along each Path at each Delivery Point, expressed in Dth. All nominations, including intra-day nominations, should be based on a daily quantity; 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 flows of the intra-day nomination, if not otherwise addressed in Section 3.4 of Rate Schedule FT-3 (MP) or Section 9 of these General Terms and Conditions. Nominations received after nomination deadlines established in Subsection 11.1(c) should be scheduled after the nominations received before the nomination deadline. All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

All nominations shall include Shipper defined begin dates and end dates. All nominations excluding intra-day nominations should have roll-over options. Specifically, Shippers shall have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of Shipper's Transportation Service Agreement.

*Effective Date: 11/02/1998 Status: Effective*  
*FERC Docket: RP99- 50-000*

**First Revised Sheet No. 145** First Revised Sheet No. 145 : Effective  
Superseding: Substitute Original Sheet No. 145

Transporter shall not be obligated to accept nominations in excess of the MDDQ at each Delivery Point. Shipper shall be entitled to nominate at each Receipt Point a quantity of gas in excess of the MDRQ for the specific month equal to Shipper's pro rata share of lost-and-unaccounted-for gas. Notwithstanding the above, the quantity contained in a valid MDQ make-up nomination when combined with the quantities contained in the other nominations made by Shipper at the same Receipt and/or Delivery Point may cause the MDRQ and/or MDDQ of a specific Receipt/Delivery Point to be exceeded.

Shipper shall have the right to submit a new nomination or revise its existing nomination for any gas day to the extent permitted by the upstream operator(s) or downstream pipeline.

**First Revised Sheet No. 146** First Revised Sheet No. 146 : Effective  
Superseding: Substitute Original Sheet No. 146

- (b) Intra-day Nominations: An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. Intra-day nominations can be used to request increases or decreases in total flow, changes to Receipt Point(s), or changes to Delivery Point(s) of scheduled gas. Intra-day nominations may be used to nominate new supply or market. Intra-day nominations do not roll over (i.e., intra-day nominations span one day only). Intra-day nominations do not replace the remainder of standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination.

For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per GISB Standard 1.2.1) which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. Transporter may (for an interim period expiring on April 1, 1999) limit Shippers to one transmittal of nominations per standard intraday nomination cycle, (excluding corrections of errors identified in the Quick Response).

- (c) Transporter shall support the following standard nomination cycles:
- (i) 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 for 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 (CCT on the day prior to flow).
- (ii) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the Transporter; 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), (CCT on the day prior to flow).

**Substitute Original Sheet No. 146A** Substitute Original Sheet No. 146A : Effective  
Superseding: Original Sheet No. 146A

Scheduled quantities resulting from an Evening Nomination that does not cause another Shipper on Transporter's system to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Shipper on Transporter's system to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

- (iii) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by 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), (CCT on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on gas day.
- (iv) The Intraday 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 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 (CCT on the gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.
- (v) For purposes of Sections 11.1 (c) (ii), (iii), and (iv), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- (vi) Model: The GISB Timely Nomination/Intraday Nomination Model as set forth in GISB standard 1.3.2 (vi) (version 1.3) is incorporated herein by reference.
  - (vii) Transporter will provide prompt notice to the affected Shippers being bumped by phone to the Shippers' predesignated number.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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Superseding: Original Sheet No. 147

- (d) Make-up Nominations: Transporter shall accept a nomination to correct an estimated net imbalance associated with a specific Transportation Service Agreement ("imbalance make-up nomination") if (i) an estimated imbalance exists pursuant to Subsection 13.2 (a), and (ii) implementation of the nomination would serve to reduce the estimated net imbalance. The fact that an imbalance make-up nomination may not be balanced between the quantity of gas nominated at Receipt Point and Delivery Point shall not in itself cause Transporter to reject the nomination.

Subject to available capacity, Transporter shall accept valid MDQ make-up nominations to attempt to allow a Shipper to utilize the full MDQ for a Path under a FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement during a month.

- (e) Other Nominations: Transporter may accept in a nondiscriminatory manner a nomination submitted by Shipper which does not comply with the requirements of this Section 11.1 if, in Transporter's reasonable judgment, the acceptance of such nomination will not adversely affect the timely processing by Transporter of all other Shippers' nominations which do comply hereunder.
- (f) Ranking: Shipper shall provide a scheduling priority ("Rank") for all of the Delivery Point(s) and associated quantities nominated to be used by Transporter to limit the deliveries in the event of an interruption or reduction in the receipts of Shipper's gas by Shipper or third parties at the Delivery Point(s), subject to the scheduling procedures contained in Section 11.2. Shipper shall also provide a Rank

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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Superseding: Original Sheet No. 148

at all Receipt Point(s) at which Shipper has nominated gas to be transported to be used by Transporter to limit the receipts of gas from Shipper at the Receipt Point(s) in the event of an interruption or reduction in the quantities of gas that Shipper delivers to Transporter at a Receipt Point(s), subject to the scheduling procedures contained in Section 11.2.

11.2 Scheduling Procedures:

- (a) Scheduling transportation services will be based on nominations.
- (b) Transporter shall adjust nominations for receipts and deliveries of gas in the priority categories specified below (listed in highest to lowest priority order), such that any reductions of nominations result in allocations of available capacity to higher priority services before lower priority services ("Adjusted Nominations"). Unless otherwise specified, allocating priority within a category shall be on a pro rata basis:
  - (i) Transportation service at Primary Receipt Point(s) and Delivery Point(s) up to the associated MDRQ and MDDQ, to the extent that nominations are not in excess of the MDQ for the Path under Shipper's FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement.
  - (ii) Transportation service for quantities nominated at Secondary Receipt and Delivery Points under Shipper's FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement according to the applicable rate, such that Shippers who pay higher rates are reduced after those who pay lower rates.

Effective Date: 11/02/1998 Status: Effective  
FERC Docket: RP99- 50-000

**First Revised Sheet No. 149** First Revised Sheet No. 149 : Effective  
Superseding: Substitute Original Sheet No. 149

- (iii) Transportation service for quantities nominated as Authorized Daily Overrun Quantity and under an IT-1 (MP) or IT-1 (DI) Transportation Service Agreement according to the applicable rate, such that Shippers who pay higher rates are reduced after those who pay lower rates.
  - (iv) Imbalance make-up nominations.
  - (v) Valid MDQ make-up nominations under FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) and FT-3 (MP) Transportation Service Agreements.
- (c) In addition to making scheduled quantities information available by 4:30 p.m., at the end of each day, Transporter shall also make available to Shippers information containing scheduled quantities, including scheduled intra-day nominations and any other scheduling changes.

Effective Date: 11/02/1998 Status: Effective

FERC Docket: RP99- 50-000

**First Revised Sheet No. 150** First Revised Sheet No. 150 : Effective

Superseding: Substitute Sheet No. 150

11.3 Confirmation Procedures:

- (a) Transporter may make such inquiries as it deems necessary, including but not limited to contacting the responsible dispatching party at each Receipt Point and each Delivery Point, to determine that Shipper's Adjusted Nominations will be confirmed. Shipper shall be responsible for all dispatching notices to third-party gatherer(s), transporter(s) and/or operator(s) and for notifying such third-parties of any changes in nominations. Transporter will accept only that portion of Shipper's Adjusted Nomination that is confirmed ("Scheduled Quantity").
- (b)
  - (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 should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.
  - (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.
  - (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.



**Original Sheet No. 150A** Original Sheet No. 150A : Effective

- (vi) With respect to (i), (ii), and (iii), above, if there is no response to a Request For Confirmation or an unsolicited Confirmation Response, Transporter shall provide Shipper with the following information to explain why the nomination failed, as applicable:
- (1) Transporter did not conduct the confirmation;
  - (2) Shipper is told by Transporter that the upstream confirming party did not conduct the confirmation;
  - (3) Shipper is told by Transporter that the upstream Shipper did not have the gas or submit the nomination;
  - (4) Shipper is told by Transporter that the downstream confirming party did not conduct the confirmation;
  - (5) Shipper is told by Transporter that the downstream Shipper did not have the market or submit the nomination.

This information shall be imparted to Shipper on the Scheduled Quantity document.

- (c) When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the parties below that are affected: 1) Confirmation Requester in a Confirmation Response (or unsolicited Confirmation Response as applicable) document by the Confirming Party; 2) Confirming Party in a Request For Confirmation document by the Confirmation Requester; 3) Shipper(s) in a Scheduled Quantity document by the applicable Confirming Party or Confirmation Requester on whose system the Shipper(s) nomination(s) were made.

Applicable notification(s) of such alterations should be provided to the affected parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the Confirmation Requester or Confirming Party, respectively. With respect to the implementation of this process via the GISB 1.4.x standards, Confirming Parties should send the applicable document(s) to the applicable party(ies) no later than the next time they are slated to communicate confirmations or scheduled quantities (as applicable).

Effective Date: 11/02/1998 Status: Effective

FERC Docket: RP99- 50-000

**Original Sheet No. 150B** Original Sheet No. 150B : Effective

11.4 Curtailment Procedures:

If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including Receipt and Delivery Points, but excluding any constraints of upstream and/or downstream pipelines, is insufficient to provide all service requirements which are nominated to receive service on such day, then scheduled quantities shall be curtailed, to zero if necessary, sequentially in reverse order to the allocation priorities provided for in Subsection 11.2(b)(i). If capacity must be allocated within the services included in Subsections 11.2(b)(i) and 11.2(b)(ii), transportation service will be curtailed on a pro rata basis based upon the quantities of gas nominated under the applicable FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) and FT-3 (MP) Transportation Service Agreements. If capacity must be allocated within the services included in Subsection 11.2(b)(iii), transportation service will be curtailed according to the price ranking used for allocations, such that Shippers who pay higher rates are curtailed after those who pay lower rates; and in the event more than one Shipper is paying a given rate, then the service interruption for those Shippers will be allocated pro rata based on each Shipper's share of scheduled nominations for that Receipt or Delivery Point. Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of this Section 11.4.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 151 Through 153** Original Sheets No. 151 Through 153 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 154** Substitute Original Sheet No. 154 : Effective

Superseding: Original Sheet No. 154

12. DETERMINATION OF RECEIPTS AND DELIVERIES

12.1 General:

- (a) Transporter shall accept GISB-approved predetermined allocation methodology ("PDA") types from the upstream or downstream custody transfer party who is providing the point confirmation. The upstream or downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before start of gas day. Only one PDA shall be applied per allocation period. If there are no additions in nominations by a Shipper at a point or other changes, the current PDA will stay in effect as submitted until it is changed pursuant to the foregoing procedures. The allocating party should send back "confirmation" of receipt of the PDA within 15 minutes. There is no need to submit a PDA if Transporter has an OBA in effect for a point.
- (b) The same standard PDA should be available for use at all points. The types of PDA are a list from which two parties may agree as provided in Subsection 12.2(b). If the two parties cannot agree upon a PDA, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation.
- (c) Shipper hereby agrees that Transporter shall have the right to rely conclusively on the PDA for the purposes of determining the daily quantities of gas received or delivered by Transporter for the account of Shipper at each point.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 155** Substitute Original Sheet No. 155 : Effective  
Superseding: Original Sheet No. 155

- (d) When the PDA is rank, swing or percentage, a new allocation detail may be needed when a nomination changes.
- (e) The timing for reporting daily operational allocations after the gas has flowed is within one business day after end of 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. As a minimum, allocations should be provided by both Transportation Service Agreement and location.

12.2 Allocation of Actual Quantities at a Receipt Point:

- (a) Except as provided in Subsection 12.2(b), the PDA for a Receipt Point on Transporter's Facility shall:
  - (i) be submitted by the operator of the facilities immediately upstream of Transporter's Receipt Point on each day prior to gas flow, which will be applicable to each Shipper, based on one and only one of the PDA types agreed upon as follows:

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 156** Substitute Original Sheet No. 156 : Effective  
Superseding: Original Sheet No. 156

- (A) ranked by the order in which gas received by Transporter at the Receipt Point is to be allocated to each Shipper;
  - (B) pro rata based on confirmed nominations;
  - (C) percentage of the total gas received by Transporter at the Receipt Point; or
  - (D) designation of a "swing" Transportation Service Agreement for receipt quantity imbalances.
- (ii) be submitted by each Shipper on each day prior to gas flow which will be applicable to its various Transportation Service Agreements at the Receipt Point based on one and only one of the PDA types agreed upon as follows:
- (A) ranked by the order in which the Transportation Service Agreements are to be allocated to the extent gas is available as allocated pursuant to Subsection 12.2(a) (i);

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

- (B) pro rata based on confirmed nominations;
- (C) percentage of the total gas received by Transporter at the Receipt Point; or
- (D) designation of a "swing" Transportation Service Agreement for receipt quantity imbalances.

The PDA shall include the contract number assigned by Transporter to each Transportation Service Agreement and the name of the Shipper thereunder.

- (b) The PDA for a Receipt Point(s) interconnecting with gathering systems and/or pipelines shall be provided by the gatherer and/or pipeline and shall rank the various Transportation Service Agreements to be supplied at the Receipt Point in accordance with one of the methodologies enumerated in Subsection 12.2(a) (ii). In the event there is a conflict between the foregoing methodologies and the pipeline's provision in its FERC Gas Tariff governing the allocations of deliveries, said pipeline company and Transporter shall mutually agree on the PDA to be used; in the event they are unable to mutually agree, the PDA shall be pro rata based upon confirmed, scheduled nominations. The ranking shall include the contract number assigned by Transporter to each Transportation Service Agreement and the name of the Shipper thereunder.

#### 12.3 Allocation of Actual Quantities at a Delivery Point:

The downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before start of gas day. The PDA shall provide for the allocation of the actual quantities of gas in Dth delivered each day for the account of its Shippers at each Delivery Point. The PDA types agreed upon are as follows:

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

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

- (a) ranked by the order in which the Transportation Service Agreements are to be allocated;
- (b) pro rata based on confirmed nominations;
- (c) percentage of the total gas delivered by Transporter at the Delivery Point; or,
- (d) designation of a "swing" Transportation Service Agreement for delivery quantity imbalances.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 159** Substitute Original Sheet No. 159 : Effective

Superseding: Original Sheet No. 159

12.4 Prior Period Adjustments:

Any allocation data or corrections received by Transporter after it has closed the previous month of flow shall be handled as a prior period adjustment. Transporter shall process late allocation data or corrections of allocation errors as soon as practicable. No imbalance penalty shall be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty. The time limitations for disputes of allocations shall be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

12.5 Allocation of Liquid Hydrocarbons:

Liquid hydrocarbons shall be allocated among those entitled to it using a uniform and nondiscriminatory procedure based on gas chromatographic or other mutually agreeable analyses of natural gas.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 160 Through 162** Original Sheets No. 160 Through 162 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 163** Substitute Original Sheet No. 163 : Effective

Superseding: Original Sheet No. 163

13. RESOLUTION OF IMBALANCES

13.1 Responsibility to Control Imbalances:

- (a) A Shipper receiving any transportation service from Transporter will use, or will cause any party delivering or receiving Shipper's gas to use, all reasonable efforts to ensure that receipt and deliveries of gas are equal to Shipper's scheduled quantities at the Receipt and Delivery Points pursuant to Shipper's Transportation Service Agreement(s).
- (b) Transporter will use all reasonable efforts to ensure that delivery of gas pursuant to its Transportation Service Agreement(s) is equal to Shipper's scheduled quantities at the Delivery Point(s).

13.2 Resolution of Monthly Imbalances:

- (a) Shipper and Transporter shall use all reasonable, good faith efforts to minimize imbalances and to eliminate any imbalances that occur as soon as possible, taking into consideration (i) the impairment of Transporter's ability to discharge its commitments to other Shippers, (ii) the time period allowed for cure by affected downstream pipeline(s) in order to avoid or minimize penalties that may be levied by such pipeline(s), and (iii) the operational integrity of Transporter's Facility. Based on the information provided by Transporter to Shipper, which shall be the best information available to Transporter at the time, Shipper shall take prompt action to correct any imbalances by making appropriate adjustments in Shipper's nominations, receipts or deliveries on a pro rata basis over the remainder of the day or month, as applicable, in order to restore a balance of receipts and deliveries on Transporter's Facility (unless Transporter directs Shipper to correct an imbalance over a shorter period of time to avoid penalties or for operational reasons).

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 164** Substitute Original Sheet No. 164 : Effective  
Superseding: Original Sheet No. 164

- (b) If on any day, it is determined that Shipper's cumulative actual receipts (less lost-and-unaccounted-for gas) and cumulative actual deliveries are out of balance in excess of five percent (5%) of scheduled deliveries for the month and Shipper fails to take corrective action as set forth in Subsection 13.2(a), then, upon two (2) days prior notice to Shipper (which notice may be provided initially by telephone and followed by a written confirmation), Transporter may adjust Shipper's nominations, receipts or deliveries on a pro rata basis over the remainder of the month or any shorter period deemed necessary by Transporter to restore a balance of receipts and deliveries.
- (c) Transporter shall have no liability to Shipper(s) on Transporter's Facility as a result of imbalances incurred on downstream pipeline(s).
- (d) Shipper shall eliminate any imbalance existing at the end of a month either by trading the imbalance with other Shippers, as provided in Subsection 13.2(e), or by cash out, as provided in Section 13.3.

**Substitute Original Sheet No. 165** Substitute Original Sheet No. 165 : Effective  
Superseding: Original Sheet No. 165

- (e) Shipper may trade imbalances, on a monthly basis with other Shippers utilizing Transporter's Facility. In order to facilitate such trading, Transporter shall, upon request, assist in matching Shippers that have overdelivered gas into Transporter's Facility with Shippers making similar requests that have underdelivered gas into such Facility. Upon receipt of a written notice signed by two (2) Shippers that they have traded imbalances, Transporter shall issue revised imbalance statements to both Shippers. After written notice of a trade of imbalances is delivered to Transporter, the trade shall be final. Transporter shall have no liability with respect to any trading of imbalances by Shipper.

13.3 Cash Out Procedures:

To the extent monthly imbalances are not resolved pursuant to Section 13.2, all imbalances accrued by Shipper under each of its Transportation Service Agreement(s) shall be resolved on a monthly basis pursuant to this provision, Section 13.3.

- (a) After each month of transportation on Transporter's system, under each of Shipper's Transportation Service Agreements Transporter will calculate the imbalance (in Dth) which exists between the quantities of gas allocated each day to Shipper for its account at the Receipt Point(s) during that month, less lost-and-unaccounted-for gas and hydrocarbon liquids that condense from the gas stream prior to the Delivery Point(s) during that month, and the quantities of gas allocated each day to Shipper for its account at the Delivery Point(s) during that month ("Net Monthly Imbalance"). To determine an applicable penalty percentage, Shipper's Net Monthly Imbalance will be divided by the scheduled deliveries under each applicable Transportation Service Agreement during the month ("Net Monthly Imbalance Percentage").
- (b) Subject to the provisions of Subsections (d) and (e) below, if Shipper has accrued a Net Monthly Imbalance due Transporter, Shipper shall pay Transporter for Shipper's Net Monthly Imbalance at the following prices specified for each stated Net Monthly Imbalance Percentage.

Net Monthly Imbalance Percentage Due Transporter	Price Per Dth
0 to 5%	100% of High Price
>5 to 10%	115% of High Price
>10 to 15%	125% of High Price
>15 to 20%	140% of High Price
>20%	150% of High Price

**Original Sheet No. 166** Original Sheet No. 166 : Effective

- (c) Subject to the provisions of Subsections (d) and (e) below, if Shipper has accrued a Net Monthly Imbalance due Shipper, Transporter shall pay Shipper for its Net Monthly Imbalance at the following prices specified for each stated Net Monthly Imbalance Percentage.

Net Monthly Imbalance Percentage Due Shipper	Price Per Dth
0 to 5%	100% of Low Price
>5 to 10%	85% of Low Price
>10 to 15%	75% of Low Price
>15 to 20%	60% of Low Price
>20%	50% of Low Price

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

- (d) The Low Price is equal to the lowest daily average, if applicable, of the price(s) which comprise the Coden or TETCO Index Price, as applicable, during the month in which Shipper's Net Monthly Imbalance was incurred. The High Price is equal to the highest daily average, if applicable, of the price(s) which comprise the Coden or TETCO Index Price, as applicable, during the month in which Shipper's Net Monthly Imbalance was incurred.

The Coden Index Price (in \$/Dth) is equal to the sum of the following prices published during the month in which Shipper's Net Monthly Imbalance was incurred divided by the number of such prices utilized by Transporter. The prices used for the determination of the Coden Index Price shall be the daily prices as published each day in Gas Daily in the column "Midpoint", in the section "Daily Price Survey" under "Louisiana - Onshore South" for:

- (i) Koch Gateway Pipeline Company, "Koch (Areas 3-6)";
- (ii) Florida Gas Transmission Corporation, "FGT Z3";
- (iii) Transcontinental Gas Pipe Line Corporation, "Transco Z3, St. 50, 62, 65".

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Original Sheet No. 167** Original Sheet No. 167 : Effective

Superseding: Original Sheet No. 167

The "TETCO Index Price" (in \$/Dth) is equal to the following price published during the month in which Shipper's Net Monthly Imbalance was incurred. The price used for the determination of the TETCO Index Price shall be the daily price as published each day in Gas Daily in the column "Midpoint", in the section "Daily Price Survey" under "Louisiana - Onshore South" for Texas Eastern Transmission Corporation, "Texas E. (ELA)".

For Transportation Service Agreement(s) applicable to Transporter's MP Facility, the Shipper's Net Monthly Imbalance shall be pro rated between the onshore Alabama Delivery Point and the Delivery Point to Texas Eastern Transmission Corporation at Main Pass Block 164, based upon the quotient of (i) the quantity of gas delivered under Shipper's Transportation Service Agreement for Shipper's account at each such Delivery Point for the month and (ii) the total quantity of gas delivered under Shipper's Transportation Service Agreement at both Delivery Points for the month ("Proration Factor").

A monthly cash out amount for each Transportation Service Agreement applicable to the MP Facility will be calculated based upon the sum of (i) the Coden Index Price multiplied by the applicable Proration Factor and (ii) the TETCO Index Price multiplied by the applicable Proration Factor, multiplied by Shipper's Net Monthly Imbalance.

A monthly cash out amount for each Transportation Service Agreement applicable to the DI Facility will be calculated based upon the Coden Index Price multiplied by Shipper's Net Monthly Imbalance.

In the event this publication or specific postings contained therein are discontinued, are not representative of market conditions, or as Delivery Points are added to or removed from Transporter's Facility, Transporter will revised this Subsection 13.3(d) to substitute another price index generally accepted in the natural gas industry. Until Transporter receives approval from the Commission to use such substitute index, Transporter will continue to calculate the Index Price each month based on the remaining representative indexes.

- (e) No imbalance penalty should be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

Effective Date: 01/10/1999 Status: Effective

FERC Docket: RP99-181-000

**First Original Sheet No. 169** First Original Sheet No. 169 : Effective

Superseding: Substitute Original Sheet No. 169

14. BILLING AND PAYMENT

14.1 Billing:

The transportation invoice shall be prepared on or before the 9th business day after the end of the production month. Transporter shall render to Shipper a statement of the volumes and the Btu content of the gas received for the account of Shipper for transportation, the volumes and the Btu content of the gas delivered to or for the account of Shipper, and the amount of lost-and-unaccounted-for gas allocated to Shipper in the preceding month. Imbalance statements shall be generated at the same time or prior to the generation of the transportation invoice. The imbalance statement shall be rendered prior to or with the invoice. Rendered is defined as postmarked, time-stamped, and delivered to the designated site. Transporter may furnish separate statements to Shipper that include an account of any credits and/or penalty charges accrued by Shipper. Invoices shall be based on actuals (if available) or best available data. Quantities at a point where an OBA exists should be invoiced based on scheduled quantities. Unless otherwise agreed, transportation invoices shall state the net billing rate rather than the discounted Maximum Rate and the discount amount. Billing units will be stated in Dekatherms.

14.2 Payment:

Billing statements shall be deemed to be received by each Shipper within three (3) business days after the date they are mailed by Transporter. Shipper shall make payments to Transporter for the services performed or charges levied hereunder during the preceding month by electronic bank transfer (i.e. wire transfer, ACH transfer or other mutually acceptable transfer method) or by check, at such address as Transporter may hereafter designate, on or before the later of the twenty-fifth (25th) day of the month or ten (10) days after Shipper's receipt of the billing statement. Any amount due Shipper from Transporter shall be paid in a like manner. All payments made by Shipper shall include Transporter's invoice number(s) and supporting documentation for purposes of matching the payment to the invoice.

14.3 Interest on Unpaid or Overpaid Amounts:

Should Shipper fail to pay any amount when due, or if found to have paid in excess of the amount ultimately due pursuant to the resolution of a good faith dispute ("overpaid amount"), interest on the unpaid or overpaid amount shall accrue at a rate equal to the lesser of the rate then set forth in Section 154.501 of the Commission's Regulations or the highest amount allowed by law from the date payment was due, pursuant to Section 14.2, and continue until payment to Transporter or refund to Shipper is made.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 170** Substitute Original Sheet No. 170 : Effective  
Superseding: Original Sheet No. 170

14.4 Failure to Pay:

If, except in the case of a good faith dispute, Shipper fails to make payment to Transporter pursuant to Section 14.2, and such failure to make payment continues for twenty (20) days or more, Transporter may suspend the further transportation of gas under Shipper's Transportation Service Agreements upon ten (10) days prior written notice to Shipper and the Commission, but the exercise of such right shall be in addition to any other remedy available to Transporter. In such circumstance, the provisions of Subsection 7.3 (c) of these General Terms and Conditions shall not apply.

14.5 Good Faith Dispute:

If Shipper, in good faith, disputes the amount due Transporter on a billing statement, Shipper shall provide a description and supporting documentation of its position and timely submit payment of the amount it states is due Transporter. Transporter shall apply such payment in accordance with Shipper's documentation. Shipper agrees that Transporter's acceptance of a partial payment does not waive Transporter's right to full payment after resolution of the disputed invoice in the future. Shipper and Transporter shall use all reasonable efforts to resolve the dispute; provided, however, if the resolution of the good faith dispute results in Shipper or Transporter owing the other an additional amount, then the provisions of Section 14.3 shall apply from the date payment was due, pursuant to Section 14.2, until payment of the additional amount is made. The provisions of Section 14.6 shall not apply in the case of a good faith dispute.

14.6 Prepayment in the Event of Default:

Upon default in payment for a period in excess of twenty (20) days, Transporter may, upon thirty (30) days prior written notice to Shipper, require as a condition to the continuance or recommencement of transportation services a deposit or other acceptable credit arrangement in an amount equal to not more than three estimated maximum monthly bills for transportation services.

14.7 Prior Period Adjustments:

Prior period adjustment time limits shall be 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice with a 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 standard.

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 171 Through 173** Original Sheets No. 171 Through 173 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 174** Substitute Original Sheet No. 174 : Effective  
Superseding: Original Sheet No. 174

15. OPERATIONAL FLOW ORDERS

15.1 General:

Transporter shall have the right to issue operational flow orders ("OFO") as specified in this Section 15. An OFO is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Transporter's system or to maintain operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order shall be referred to as an OFO. Before issuing an OFO, Transporter will attempt to identify specific Shippers causing a problem and attempt to remedy those problems with those Shippers. If an OFO is issued by Transporter pursuant to this Section 15, Transporter shall not be required to curtail or suspend service to a Shipper(s) whose current use of Transporter's Facility mitigates the operating conditions on which the OFO is based regardless of the class of service utilized by that Shipper(s). Shipper's response to any specified gas quantities provision contained in an OFO shall be subject to the provisions of Section 15.2 to the extent that the actual quantities of gas involved in Shipper's response to the OFO is greater than one hundred and five percent (105%) or less than ninety-five percent (95%) of the specified gas quantities provision contained in the OFO.

15.2 Penalty:

All quantities tendered to Transporter and/or taken by Shipper on a daily basis in violation of Transporter's OFO shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth shall be assessed and paid by Shipper.

15.3 Exemptions:

Shipper will be exempt from penalties on imbalances pursuant to Section 13.2 herein that result from complying with an OFO. A reasonable make-up period will be allowed to correct OFO created imbalances based on the then current operations of Transporter's Facility. Upon an OFO becoming effective as specified in the OFO or as provided in this Section 15.3, Shipper or operator of the facilities connecting with Transporter's Facility shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of Transporter's Facility, to make adjustments in compliance with the OFO. If Shipper complies with the provisions of the OFO within such notice period then no penalty pursuant to Section 15.2 shall be assessed. Shipper will be exempt from penalties caused solely by Transporter's failure to receive scheduled quantities at a Receipt Point or to deliver scheduled quantities to a Delivery Point, the provisions of Section 6 continuing to be being applicable.

15.4 Notices:

Transporter will post to its EBB its intention to place an OFO into effect and notify the affected Shipper(s) at least 24 hours prior to the implementation of the OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of Transporter's Facility. Such notice and posting to the affected parties of an OFO, critical periods, and/or critical notices shall describe the conditions and the specific responses required from the affected parties. Where an OFO is made effective on less than 24 hours notice, Transporter will also provide the Commission with a detailed explanation with all relevant information specific to the individual situation to justify issuance of that particular OFO. Whenever an OFO requires action in less than 72 hours, Transporter will provide prompt notice to the affected Shippers by phone and facsimile to the Shippers' pre-designated numbers, as well as by posting on the EBB.

15.5 Conditions:

- (a) If in Transporter's judgment, impending operating conditions will cause the operating pressure at one or more Receipt Points to exceed the provisions of Section 6.1 herein, or the operating pressure at one or more Delivery Points to decrease below the provisions of Section 6.2 herein, Transporter may issue an OFO pursuant to this Subsection requiring that all Shippers adjust the gas quantities or adjust the nominations at the Receipt and Delivery Points under all Transportation Service Agreements to be in balance (considering Shippers' pro-rata share of lost-and-unaccounted-for gas) effective the earliest opportunity that Shippers have in their control to effect gas quantities at either Receipt Points or Delivery Points. Transporter shall use all available opportunities in its control to effect gas quantities at either Receipt Points or Delivery Points in support of Shippers' actions pursuant to the OFO and to mitigate the adverse effects on Transporter's Facility.
- (b) Transporter may issue, on a nondiscriminatory basis, such other reasonable OFO as may be required for the purposes set forth in Section 15.1 herein.
- (c) Compliance with an OFO and the other terms and conditions of Transporter's FERC Gas Tariff is essential to Transporter's ability to provide deliveries and services under all Rate Schedules. A failure by one or more Shippers to comply with an OFO may affect Transporter's ability to provide such

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

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

deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except to the extent Transporter's inability to provide such deliveries and services arose from the Transporter's sole, joint, or concurrent negligence, or gross negligence, or undue discrimination, or intentional or willful misconduct, have no liability or responsibility for its inability to provide deliveries and services and Shipper to the extent Shipper's failure to comply with Transporter's FERC Gas Tariff and in particular the provisions of this Section 15 resulted in the inability of Transporter to provide deliveries and services shall indemnify and hold Transporter harmless from any claims brought by a third party against Transporter arising from such failure, except that Shipper shall not be responsible for any incidental, consequential, punitive or special damages, including lost profits resulting therefrom.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 177 Through 179** Original Sheets No. 177 Through 179 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 180** Original Sheet No. 180 : Effective

16. PENALTY WAIVERS

In recognition of the fact that each penalty provision in this FERC Gas Tariff is intended to promote conscientious operations by the Shipper such that service to other Shippers is not impaired in any way, Transporter may waive any penalty charges incurred by Shipper if Transporter determines, in its reasonable judgment, that Shipper was conducting its operations in a responsible manner at the time the penalty charges were incurred and that Shipper's conduct did not impair service to another Shipper. Transporter must grant waivers under this Section on a non-discriminatory basis, but the waiver of any penalty charges shall not constitute an automatic waiver of any future penalty charges.

Transporter shall maintain a record of all waivers granted under this Section 16 and shall make such record available upon request to the Commission and to any Shipper.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 181** Substitute Original Sheet No. 181 : Effective

Superseding: Original Sheet No. 181

17. NOTICES

17.1 General Notices:

Except as otherwise provided herein, any notice, request, or demand concerning service under any Transportation Service Agreement may be given in writing and sent by first-class U.S. mail, postage prepaid, by facsimile, or by personal delivery to the address specified in the Transportation Service Agreement. System-wide notices shall have a separate category for notices that are not critical.

17.2 Dispatching Notices:

- (a) All notices concerning the daily nomination and confirmation of gas supplies for transportation shall be given by facsimile to the number specified in the Transportation Service Agreement or given to Transporter electronically.
- (b) All notices concerning the limitation or interruption of the transportation of gas supplies or other similar matters concerning the dispatching of gas which would be effective within 72 hours of the notice shall be given by telephone, and confirmed by facsimile, to the numbers specified in the Transportation Service Agreement and posted on Transporter's EBB.
- (c) Transporter and Shipper may agree in writing to an alternative method of giving notice to those specified in Section 17. Any such agreed upon alternative method of giving notice shall remain effective until rescinded by either party by giving prior written notice to the other party. Transporter and Shipper may change any telephone number or facsimile number to which dispatching notices are to be given at any time by giving prior written notice to the other party.

17.3 Critical Notices:

Critical Notices should be defined to pertain to information on Transporter's system conditions that affect scheduling or adversely affect scheduled gas flow. The declaration to the affected parties of an OFO, critical periods, and/or critical notices shall describe the conditions and the specific responses required from the affected parties.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 182** Substitute Original Sheet No. 182 : Effective  
Superseding: Original Sheet No. 182

18. PREGRANTED ABANDONMENT OF FIRM SERVICE AGREEMENTS

The following Sections 18.1 through 18.8, inclusive, shall apply to FT-1 (MP) and FT-1 (DI) Transportation Service Agreements. The following Section 18.9 shall apply to FT-2 (MP), FT-2 (DI) and FT-3 (MP) Transportation Service Agreements.

18.1 Capacity Posting:

Transporter shall post on its EBB that capacity which will be available upon the termination of an applicable Transportation Service Agreement for the purpose of soliciting all bids for the further use of the capacity pursuant to the following schedule based on the effective termination date of the Transportation Service Agreement, whether such date is specified in the Transportation Service Agreement or in Transporter's notice of termination as provided for by such Transportation Service Agreement.

Term of Agreement, Years	Posting Period, Days	Existing Shipper's Review Period, Days
* 1	15	5
* Greater than 1 and less than or equal to 5	25	10
* Greater than 5 and less than or equal to 10	35	15
* Greater than 10	60	20

18.2 Bidding Procedure & Conditions:

Each bidder for the firm capacity, or any part thereof, must submit its bid to Transporter in writing (with the appropriate Service Request Form and any required prepayment under Rate Schedules FT-1 (MP) and FT-1 (DI) submitted to Transporter under separate cover) within the posting period. Each bid shall contain the term for which the capacity is sought and the percentage of the Maximum Rate applicable to Rate Schedule FT-1 (MP) or FT-1 (DI) which the bidder is willing to pay for the capacity, not to exceed 100% of the Maximum Rate.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 183** Substitute Original Sheet No. 183 : Effective

Superseding: Original Sheet No. 183

18.3 Selection of Best Bid:

If Transporter receives one or more bids for the capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, which represents the largest present value of the product of capacity and rate contained in each bid; provided, however, that Transporter reserves the right to reject any bid which is for less than 100% of the Maximum Rate applicable to Rate Schedule FT-1 (MP) or FT-1 (DI).

18.4 Existing Shipper's Review:

Transporter will notify the party(ies) who submitted the best bid(s) that their best bid(s) is subject to the existing Shipper's review and post notice of the best bid(s) on its EBB. Transporter will notify the existing Shipper of the best bid(s) received, and such Shipper shall have the time period specified in the above schedule (under the column labeled "Existing Shipper's Review Period") within which it must match the rate and contract term, not to exceed five (5) years, offered in the best bid(s) in order to retain its firm capacity.

18.5 Continued/New Service:

- (a) If Shipper elects to match the best bid, Transporter and Shipper will enter into a new Transportation Service Agreement(s) reflecting the terms of the best bid(s). Transporter will notify the party(ies) who submitted the best bid(s) that Shipper has elected to match the best bid(s) and will post notice of such on its EBB.
- (b) If Shipper elects not to match the best bid(s), Shipper's existing Transportation Service Agreement will be subject to pregranted abandonment upon its effective termination date and Transporter will enter into a new Transportation Service Agreement(s) of even date with the party or parties offering the best bid(s) which shall reflect the conditions of the best bid(s). Transporter will post notice of Shipper's election not to match the best bid(s) on its EBB.

18.6 Refund of Prepayment:

Transporter shall refund to all parties whose bids were either rejected by Transporter or superseded by Shipper's election to match the best bid(s) the entire amount of the required prepayment within thirty (30) days of the earlier of (a) Transporter's rejection of their bid(s) pursuant to Section 18.3 or (b) Transporter's receipt of Shipper's notice of its election pursuant to Subsection 18.5(a).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 184** Substitute Original Sheet No. 184 : Effective  
Superseding: Original Sheet No. 184

18.7 No Best Bid:

In the event Transporter does not receive any bids for Shipper's capacity or any bids which are acceptable to Transporter, Shipper shall have the right to retain its firm capacity at the Maximum Rate applicable thereto, or any discount agreed to by Transporter, for an additional term as requested by Shipper, not to exceed twenty (20) years. If Shipper refuses to renew its Transportation Service Agreement at the Maximum Rate, absent an agreement by Transporter to discount, said Transportation Service Agreement shall be subject to pregranted abandonment on the effective date of termination.

18.8 Shipper's Notice of Termination:

If Shipper gives notice to terminate its FT-1 (MP) or FT-1 (DI) Transportation Service Agreement pursuant to the provisions contained therein, said agreement shall be subject to pregranted abandonment on the effective date of Shipper's termination notice and the above provisions of this Section 18 shall not apply.

18.9 If Shipper gives notice to terminate its FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement pursuant to the provisions contained therein, said agreement shall be subject to pregranted abandonment on the effective date of Shipper's termination notice.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 185 Through 187** Original Sheets No. 185 Through 187 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 188** Substitute Original Sheet No. 188 : Effective

Superseding: Original Sheet No. 188

19. SHIPPERS RELEASE OF FIRM CAPACITY

19.1 General:

This Section 19 sets forth the sole means by which a Shipper under Rate Schedules FT-1 (MP) or FT-1 (DI) ("Releasing Shipper"), pursuant to Section 284.243 of the Commission's regulations, or a Shipper under Rate Schedules FT-2 (MP), FT-2 (DI) or FT-3 (MP), may release its firm capacity rights under a Transportation Service Agreement with the Transporter to a third party ("Acquiring Shipper"). The provisions of Section 19 pertain solely to release of firm capacity rights under a FT-1 (MP) Transportation Service Agreement for subsequent service under Rate Schedule FT-1 (MP), or release of firm capacity rights under a FT-1 (DI) Transportation Service Agreement for subsequent service under Rate Schedule FT-1 (DI), or release of firm capacity rights under a FT-2 (MP) Transportation Service Agreement for subsequent service under Rate Schedule FT-1 (MP), FT-2 (MP) or FT-3 (MP), or release of firm capacity rights under a FT-2 (DI) Transportation Service Agreement for subsequent service under Rate Schedule FT-1 (DI) or FT-2 (DI), or release of firm capacity rights under a FT-3 (MP) Transportation Service Agreement for subsequent service under Rate Schedule FT-1 (MP), FT-2 (MP) or FT-3 (MP). The provisions of Section 1.1 of Rate Schedules FT-1 (MP) and FT-1 (DI) requiring a one year minimum term shall not be applicable to service under such Rate Schedules when performed under this Section 19.

19.2 Capacity Eligible For Release:

A Releasing Shipper with a FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement may release firm capacity pursuant to this Section 19.

19.3 Types of Releases:

- (a) Permanent Release: A Releasing Shipper may release all or part of its firm capacity under a Transportation Service Agreement for the entire remaining term of the Transportation Service Agreement ("Permanent Release") pursuant to the provisions of this Section 19. A Permanent Release is an assignment of capacity and any associated rights of the Releasing Shipper under Section 18 hereof for avoiding pregranted abandonment. Therefore, the Acquiring Shipper must meet Transporter's requirements related to creditworthiness set forth in the applicable Rate Schedule. The Acquiring Shipper shall be required to execute a separate Transportation Service Agreement for the released capacity at the rate applicable to and for the primary term

remaining under the Releasing Shipper's Transportation Service Agreement, unless Transporter agrees otherwise in a nondiscriminatory manner. Furthermore, the Acquiring Shipper must contract for the Primary Receipt Point(s) and Primary Delivery Point(s) specifically set forth in a Releasing Shipper's Offer of firm capacity.

The Acquiring Shipper then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 19. Upon the successful completion of a Permanent Release, the Releasing Shipper shall be responsible only for those charges under its Transportation Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for firm capacity not released on a permanent basis.

- (b) Temporary Release: A Releasing Shipper may release all or part of its firm capacity under a Transportation Service Agreement for a term less than the remaining term of the Transportation Service Agreement ("Temporary Release"), pursuant to one of the following methods and the further provision of this Section 19.
  - (i) Firm Temporary Release: A Releasing Shipper may temporarily release capacity on a firm basis for a specified term without a right of recall, except as provided in Subsection 19.3(c). The minimum term for any Firm Temporary Release shall be one contract day. All Firm Temporary Releases exceeding one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month.
  - (ii) Temporary Release Subject to Recall: Subject to the provisions of Section 19.4, a Releasing Shipper may temporarily release firm capacity subject to a right of recall by the Releasing Shipper upon the occurrence of the condition precedent specified in the Releasing Shipper's Offer under Subsection 19.6(c). The minimum term for any Temporary Release Subject to Recall shall be one contract day. Any Temporary Release Subject to Recall offered for more than one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 190** Substitute Original Sheet No. 190 : Effective  
Superseding: Original Sheet No. 190

(c) Secondary Release of Firm Capacity: Transporter shall allow re-releases (herein "Secondary Release") on the same terms and basis as the primary release (except as prohibited by regulations). An Acquiring Shipper who has acquired firm capacity hereunder on a temporary basis, subject to that option being part of the Releasing Shipper's Offer, may subsequently release the capacity it has acquired, as set forth on the Addendum to its Form of Service Agreement for Temporary Release of Firm Transportation Capacity, in accordance with the terms of this Section 19 ("Secondary Release"), thereby becoming a Releasing Shipper. That secondary Releasing Shipper shall provide the original Releasing Shipper the name, telephone number and facsimile number of a contact party of the secondary Releasing Shipper. A Secondary Release of Firm Capacity cannot operate to release greater capacity rights than the capacity acquired by the secondary Releasing Shipper. Furthermore, to the extent that a secondary Releasing Shipper acquired firm capacity subject to a right of recall, the capacity then released by the secondary Releasing Shipper, and any subsequent Secondary Release of Firm Capacity thereafter, shall also be subject to the right of recall.

(d) Prearranged Release of Firm Capacity:

(i) A Releasing Shipper who wishes to release its firm capacity on a prearranged basis to an Acquiring Shipper for a period of thirty-one (31) days or less may do so without being subject to notification and bidding requirements. The minimum term for such release shall be one (1) contract day and the term must be for consecutive number of days within the same calendar month. Transporter shall post on its EBB the terms of the prearranged release by 9:00 a.m. CCT on the day of nomination.

(ii) A Releasing Shipper who wishes to temporarily release its firm capacity on a prearranged basis to an Acquiring Shipper for a period in excess of thirty-one (31) days at a rate less than the Maximum Rate for the respective Rate Schedule must comply with the notification and bidding requirements of this Section 19. The minimum term of the release shall be for a period of thirty-one (31) days.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 191** Substitute Original Sheet No. 191 : Effective  
Superseding: Original Sheet No. 191

(iii) Once the term of a release under Subsection 19.3(d) (i) has expired, the Releasing Shipper cannot release capacity to the same Acquiring Shipper under Subsection 19.3(d) (i) until twenty-eight (28) days after the first release period has ended.

(iv) Except as provided herein, all terms and conditions applicable to release of firm capacity under Transporter's Gas Tariff shall apply to any prearranged release of firm capacity.

19.4 Recall Rights Under a Temporary Release Subject to Recall:

- (a) A Releasing Shipper has the right to define the conditions(s) precedent which will result in a recall of the released firm capacity; provided, however, that such condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shipper's Transportation Service Agreement or with the provisions of Transporter's FERC Gas Tariff. There shall be no partial day recalls of capacity. Furthermore, the recall conditions specified by the Releasing Shipper must be nondiscriminatory and identifiable events.
- (b) If a Releasing Shipper wishes to exercise its right to recall its firm capacity released under Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP), other than exercising the right to recall capacity on dates previously specified in its Offer, to be effective for a gas day, notice shall be provided by Releasing Shipper by Facsimile to the Transporter and the Acquiring Shipper no later than 8:00 a.m. CCT on nomination day.
- (c) A Releasing Shipper shall be responsible for notifying, or causing to be notified, its Acquiring Shipper (and all subsequent Acquiring Shipper(s)) prior to the exercise of the Releasing Shipper's recall right. Transporter has the right to rely on a Releasing Shipper's notice and a Releasing Shipper shall defend and indemnify Transporter against any claims, losses, liabilities or expenses resulting from claims by any Acquiring Shipper that it was not notified or that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its Offer.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 192** Substitute Original Sheet No. 192 : Effective  
Superseding: Original Sheet No. 192

- (d) Transporter shall support the function of reputting by Releasing Shipper. If recall is subject to reput and time remains in the term for which the firm capacity was temporarily released, the capacity shall revert back to the last Acquiring Shipper either on the date previously specified in the Offer or upon notice given by the Releasing Shipper in the same manner and time as set forth in Subsection 19.4(b). If following the recall, no time remains in the term for which the capacity was temporarily released, the capacity rights shall remain with the Releasing Shipper for either its continued utilization or for release again pursuant to this Section 19.

19.5 Shipper's Obligations:

(a) Acquiring Shipper:

- (i) Permanent Release: To bid on capacity for a Permanent Release under Subsection 19.3(a), the bidder must be preapproved for credit and have submitted an executed Transportation Service Request Form, as more particularly set forth in Subsection 19.6(d). Once a bid on an Offer for a Permanent Release of capacity under Subsection 19.3(a) is accepted, the Acquiring Shipper shall execute a separate FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement by 10:00 a.m. CCT the day of nomination to utilize the capacity under the terms set forth in the best bid and the terms and conditions of Transporter's FERC Gas Tariff applicable to the capacity released. Once the Acquiring Shipper executes its FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement resulting from a Permanent Release, the Acquiring Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's FERC Gas Tariff, including but not limited to Transporter's billing and payment and operational provisions.
- (ii) Temporary Release: To bid on capacity offered under one of the types of Temporary Releases set forth in Subsection 19.3(b), the bidder must be preapproved for credit and have executed a Form of Service Agreement for Temporary Releases of Firm Transportation Capacity ("Temporary Release Agreement"), as more particularly set forth in Subsection 19.6(e). Before an Acquiring Shipper may execute a Temporary Release Agreement with Transporter to utilize released firm capacity, the Acquiring Shipper must

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

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satisfy all of Transporter's requirements relating to Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP). Once a bid on an Offer for a Temporary Release of capacity under Subsection 19.3(b) is accepted, the Acquiring Shipper agrees that the Addendum to its Temporary Release Agreement provided by Transporter by 10:00 a.m. CCT on the day of nomination shall be binding and no further execution thereof shall be required. Once Transporter provides the Acquiring Shipper an Addendum to its Temporary Release Agreement, the Acquiring Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's FERC Gas Tariff, including but not limited to Transporter's billing and payment and operational provisions.

- (b) Releasing Shipper: The Releasing Shipper shall remain fully liable under its existing Transportation Service Agreement for the payment of all reservation charges for the contract quantity which has not been released, associated Surcharges, fixed charges, and direct bills owing to Transporter each month under the existing Transportation Service Agreement, as well as for services performed for or penalties incurred by the Releasing Shipper under its Transportation Service Agreement with respect to any remaining capacity thereunder.

19.6 Offer and Bid Procedures:

- (a) Offer of Firm Capacity: A Shipper desiring to release firm capacity pursuant to Section 19.3 shall post on Transporter's EBB, in accordance with timelines in Section 19.9 utilizing the Form of Capacity Release, a complete offer of firm capacity (herein called "Offer") except as provided otherwise in Subsection 19.3(d). Offer shall be complete before being posted. Transporter shall accept only completed offers and shall post Offers including prearranged deals, upon receipt, unless Releasing Shipper requests otherwise. If a Releasing Shipper requests a posting time, Transporter shall support such request insofar as it comports with the standard timeline set forth in Section 19.9. Only posted Offers shall be available electronically. The Releasing Shipper agrees that its posted Offer specifically is subject to the following conditions:

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 194** Substitute Original Sheet No. 194 : Effective  
Superseding: Original Sheet No. 194

- (i) Offers shall be binding until written or electronic notice of withdrawal is received by the Transporter. The Releasing Shipper has the right to withdraw its Offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made.
  - (ii) A Releasing Shipper will not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.
- (b) Minimum Posting Period: A Releasing Shipper's Offer shall be posted for a period to be established by the Releasing Shipper in its Offer subject to the following minimum requirements pursuant to Section 19.9.
- (c) Releasing Shipper's Offer: A Releasing Shipper's Offer shall be considered complete if the following standard information is included:
- (i) the name of the Releasing Shipper, and the name, telephone number and facsimile number of a contact party for the Releasing Shipper;
  - (ii) the contract number(s) and Rate Schedule(s) of the Releasing Shipper's Transportation Service Agreement(s);
  - (iii) the ultimate Rate Schedule to be released into: if capacity which is proposed to be released from a FT-2 (MP) or FT-3 (MP) Transportation Service Agreement will be released to Rate Schedules FT-1 (MP), FT-2 (MP) or FT-3 (MP); if capacity which is proposed to be released from a FT-2 (DI) Transportation Service Agreement will be released to Rate Schedules FT-1 (DI) or FT-2 (DI);
  - (iv) whether the release is permanent or temporary;

Effective Date: 12/23/1997 Status: Effective

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- (v) if a temporary release,
  - (A) whether the release is firm or subject to a right of recall;
  - (B) if subject to recall, the identifiable conditions(s) precedent upon which the recall right will be asserted;
  - (C) if subject to recall, whether the reservation charge paid by the Acquiring Shipper is to be pro rated for any days on which the capacity is actually recalled;
  - (D) if subject to recall, whether or not the Releasing Shipper will repute the capacity to the Acquiring Shipper at the end of the term of the recall of capacity. Reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and the Acquiring Shipper.
- (vi) the duration of the posting period for bids in accordance with Section 19.9;
- (vii) the release quantities expressed as a numeric quantity of capacity per day per Path, the total released quantity and whether bids for less than the full quantity offered are acceptable.
- (viii) the term of the release and whether bids for less than the full term offered are acceptable;
- (ix) the Delivery Point(s) and the Receipt Point(s) at which capacity is offered, and the associated Path(s), and Delivery Point(s) and Receipt Point(s) quantities;
- (x) whether the offer is subject to a Prearranged Release, if so, the name of the prearranged Acquiring Shipper;

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(xi) any minimum acceptable reservation charge based on one of the following:

- (A) specific dollars and cents;
- (B) percent of Maximum Reservation Rate;

and whether the Releasing Shipper will accept bids on the reservation charge converted to a volumetric rate basis. Releasing Shipper has the choice to specify dollars and cents or percents of the Maximum Rate in the denomination of bids and Transporter shall support this. Once the choice is made by the Releasing Shipper, the bids should comport with the choice;

(xii) whether the Minimum Reservation Rates are inclusive or exclusive of any and all demand surcharges;

(xiii) if bids for capacity to be released from FT-1 (MP) or FT-1 (DI) Transportation Service Agreements on a volumetric rate basis are acceptable, whether the volume bid is a maximum daily throughput commitment for billing purposes, i.e. the Acquiring Shipper's monthly bill and the Releasing Shipper's monthly credit will be no less than the volume bid multiplied by the volumetric rate bid multiplied by the number of days in the month that the release was in effect;

(xiv) whether bids may be submitted that are contingent on (i) the award of upstream or downstream capacity on another pipeline system, (ii) the success or failure of another bid for capacity on Transporter's MP Facility or Transporter's DI Facility effective the same date/bid, or (iii) any other type of contingency specified in the Offer; the deadlines for removing any such contingencies pursuant to Section 19.9;

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- (xv) the economic criteria to be utilized by Transporter in determining the "best bid" shall be one of the following (i) highest rate, (ii) net revenue, or (iii) present value. For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shipper as choices from which to select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Transporter. However, the Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is the Transporter held to the timeline should the Releasing Shipper elect another method of evaluation; and
  
- (xvi) a nondiscriminatory tie breaker to be utilized in determining the "best bid" in the event two or more bids generate the same results. The tie breaker shall be objective and non discriminatory, and must be able to be applied by Transporter.
  
- (d) Prearranged Release: A Releasing Shipper must identify in its Offer any prearranged Acquiring Shipper. Such Acquiring Shipper must meet all of the requirements established for bidders pursuant to Subsection 19.6(e) and the prearranged Acquiring Shipper shall submit its bid in accordance with Subsections 19.6(f) and (g). If the prearranged Acquiring Shipper tenders a bid for the offered capacity at the maximum reservation charge applicable to the Releasing Shipper's service, for the full capacity and term offered by the Releasing Shipper and satisfies all of the requirements of Subsections 19.6(e) and (g), that bid shall be deemed the "best bid". Transporter shall post on its EBB by 9:00 a.m. CCT the day of nomination the identity of the prearranged Acquiring Shipper, and the terms upon which the capacity was released for

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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informational purposes only. In all other situations, the prearranged Acquiring Shipper's bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Shipper's Offer as such. If Transporter does not receive a better bid(s) meeting the essential terms of Releasing Shipper's Offer by the end of the posting period, the prearranged Acquiring Shipper's bid shall be deemed the best bid. If Transporter does receive a better bid meeting the essential terms of Releasing Shipper's Offer by the end of the posting period, the prearranged Acquiring Shipper shall have the right to match the terms of the better bid, provided the prearranged Acquiring Shipper gives notice to Transporter pursuant to Section 19.9 that it will match the essential terms of the better bid. If the prearranged Acquiring Shipper's bid matches the better bid, the prearranged Acquiring Shipper shall be deemed to have made the best bid.

"Essential terms" for all purposes of Section 19.6 for bids or for the matching of any bid shall be determined solely by the Releasing Shipper consistent with the terms posted by the Releasing Shipper for such bids or the matching of any such bid. In the event of a dispute with respect to whether a bid has met the essential terms posted by Releasing Shipper or whether prearranged Acquiring Shipper has matched a bid, Transporter shall bear no liability. Where a dispute arises with respect to a bid or a matching of a bid by a prearranged Acquiring Shipper, Transporter shall not be obligated to provide services with respect to any capacity to be released pursuant to the Releasing Shipper's Offer to any party having submitted a bid or having attempted to match a bid until such dispute has been fully resolved. In this case the Releasing Shipper shall remain liable to Transporter for all obligations under its transportation agreements including those associated with the capacity the Releasing Shipper sought to release to the prearranged Acquiring Shipper until the dispute is, in the judgment of the Transporter, resolved.

- (e) Prequalified Bidder Requirements:
- (i) All parties desiring to bid on firm capacity offered by a Releasing Shipper must be prequalified by Transporter as creditworthy in order to be eligible to submit a bid on an Offer of released capacity. Unless Transporter agrees it has determined the bidder to be creditworthy or to have suitable credit on file with Transporter, the potential bidder must submit to Transporter the information set forth in Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) to enable Transporter to determine the party's creditworthiness. A bidder's creditworthiness shall be assessed on the same basis as a Shipper's creditworthiness under the terms of Rate Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP). If the potential bidder fails to demonstrate creditworthiness, the bidder may still be prequalified if it provides one of the credit alternatives set forth in Rates Schedule FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP). If a party does not qualify as a prequalified bidder pursuant to this Subsection 19.6(e), the party cannot bid on a Releasing Shipper's Offer.
  - (ii) Prior to submitting a bid on a Permanent Release of capacity offered by a Releasing Shipper, the bidder must submit to Transporter a valid Service Request Form for the released capacity on which the bidder intends to submit a bid.
  - (iii) Prior to submitting a bid on an Offer of Temporary Release of capacity, the bidder must request and execute a Temporary Release Agreement. The terms of each winning bid shall be set forth on an Addendum to the Acquiring Shipper's applicable Temporary Release Agreement.
  - (iv) Prior to submitting a bid on an Offer of Permanent or Temporary Release of Capacity from a FT-2 (MP) or FT-3 (MP) Transportation Service Agreement for subsequent service under Rate Schedule FT-2 (MP) or FT-3 (MP), or from a FT-2 (DI) Transportation Service Agreement for subsequent service under Rate Schedule FT-2 (DI), the bidder must have complied with the provisions of Section 1.2 of the applicable Rate Schedule.



Effective Date: 12/23/1997 Status: Effective  
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- (f) Bidding Procedures: All complete bids on a Releasing Shipper's Offer shall be transmitted electronically to Transporter on its EBB in the standard form provided on the EBB in accordance with the times and dates as set forth in Section 19.9. Bids shall be complete before being posted. Transporter shall accept only complete bids. Transporter shall post bids including prearranged deals, upon receipt, unless Releasing Shipper requests otherwise. If a Releasing Shipper requests a posting time, Transporter shall support such request insofar as it comports with the standard timeline set forth in Section 19.9. Only posted bids shall be available electronically. A separate bid shall be submitted for each separate Releasing Shipper's Offer on which a bidder wishes to bid. The price bid on any Offer of capacity must be submitted on a reservation charge basis unless the Offer states that bids on a volumetric rate basis are acceptable. All bids on Temporary Releases of capacity must be for the specified Delivery and Receipt Points, and associated Paths, offered. The Delivery Point(s) and Receipt Point(s) awarded to the Acquiring Shipper under this Section 19 shall constitute the only Exhibit "A" Receipt Point(s) and Delivery Point(s), and associated Path(s), to which the Acquiring Shipper is entitled under the Transportation Service Agreement or Temporary Release Agreement entered into with Transporter pursuant to these provisions. However, the Acquiring Shipper may utilize Secondary Receipt and Delivery Points under the applicable Rate Schedule as capacity is available.
- (g) All bids shall be considered complete if the following information is included:
- (i) the bidder's name and the name, telephone number and facsimile number of a contact party for the bidder;
  - (ii) the Offer number and contract number(s) and Rate Schedule of the Releasing Shipper's Transportation Service Agreement on which the bid is being made;
  - (iii) the reservation charge bid per Dth for the released capacity or the reservation charge bid at a volumetric rate per Dth. Releasing Shipper has choice to specify dollars and cents or percents of the Maximum Rate in the denomination of bids and Transporter shall support this. Once the choice is made by the Releasing Shipper, the bids should comport with the choice. The maximum reservation rate that may be bid shall not exceed the Maximum Rate for the applicable currently effective sheets of Transporter's FERC Gas Tariff;

Effective Date: 12/23/1997 Status: Effective

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- (iv) whether the bidder is a prearranged Acquiring Shipper;
- (v) the term for which the bid is being made if the Offer allows bids on less than the term offered;
- (vi) if the Offer allows bids on less than the full capacity offered, the transportation capacity requested at each Delivery and Receipt Point, and for each Path;
- (vii) if allowed by the Offer, whether the bid is contingent on the award of capacity on an upstream or downstream pipeline system, the name of the pipeline and the bid number;
- (viii) if other contingencies are allowed by the Offer, whether the bid is subject to one of the contingencies allowed by the Offer; and
- (ix) the information required by Section 250.16 of the Commission's Regulations to the extent necessary to allow Transporter to comply with its reporting/posting requirements under Section 250.16.

Bids shall be binding until written or electronic notice of withdrawal is received by the Transporter. Bids cannot be withdrawn after the bid period ends. A bidder may withdraw its bid on an Offer at any time prior to the end of the bid period, but any subsequent bids submitted by the bidder on that Offer during the bid period must be equal to or higher than the bidder's previous bid(s).

- (h) Transporter's Initial Review: Upon receipt of all bids, Transporter shall engage in an initial review to determine whether a bid will be deemed eligible for consideration. Any bid deemed ineligible pursuant to this Subsection 19.6(h) shall be eliminated from consideration. A bid shall be deemed ineligible if:

Effective Date: 12/23/1997 Status: Effective

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- (i) the bid (or bidder) does not comply with all of the terms and conditions and deadlines of this Section 19;
  - (ii) the bid submitted exceeds the bidder's preapproved credit term or limits;
  - (iii) the bid is for capacity at Delivery and Receipt Points or for Paths other than those specified in the Offer;
  - (iv) the bid does not meet the minimum terms of the Releasing Shipper's Offer; or
  - (v) the bid contains a contingency that is not allowed by the Offer or the bidder has not removed the contingency by the deadline set forth in the Offer.
- (i) The Best Bid Determination: All bids deemed to be eligible following Transporter's initial review pursuant to Subsection 19.6(h) shall be reviewed in determining the best bid. When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded. The best bid shall be determined by Transporter pursuant to the economic criteria for determining the best bid set forth in the Releasing Shipper's Offer.

Effective Date: 12/23/1997 Status: Effective

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The best bid shall be subject to the rights, if any, of a prearranged Acquiring Shipper to match the bid in accordance with Subsection 19.6(d).

- (j) Tie Breaker: If there is a tie for the best bid, and there is no prearranged Acquiring Shipper who has agreed to match the best bid, the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Shipper's Offer.
- (k) Notification: Upon completion of the best bid determination, the party submitting the best bid, i.e. the Acquiring Shipper shall be notified by Transporter through its EBB. Transporter shall provide the Acquiring Shipper an Addendum to its applicable Temporary Release Agreement which reflects the terms of the Acquiring Shipper's winning bid. Transporter shall post on its EBB the details of the winning bid and the Acquiring Shipper's name.
- (l) If no bids are submitted by the required deadline pursuant to Section 19.9, the Releasing Shipper's Offer shall be removed from Transporter's EBB.

19.7 Billing and Payment:

- (a) An Acquiring Shipper receiving capacity released from a FT-1 (MP) or FT-1 (DI) Transportation Service Agreement shall be billed by Transporter and shall make payments to Transporter in accordance with the terms of its executed FT-1 (MP) or FT-1 (DI) Transportation Service Agreement or a Temporary Release Agreement. On the Releasing Shipper's bill for a month in which it released capacity hereunder on a temporary basis, Transporter shall bill the Releasing Shipper the charges pursuant to the Releasing Shipper's FT-1 (MP) or FT-1 (DI) Transportation Service Agreement with the MDQ equal to the MDQ of the Releasing Shipper prior to the release and shall credit all the reservation charge billed by Transporter to the Acquiring Shipper for the released capacity; provided, however, that in the event the Acquiring Shipper fails to pay Transporter for any part of the amount credited to the Releasing Shipper's bill, Transporter reserves the right to reverse the credit on the Releasing Shipper's bill in a later month up to the unpaid amount plus interest thereon calculated pursuant to Section 14.3. If the Acquiring Shipper fails to pay its reservation charges pursuant to the provisions of Section 14, the Releasing Shipper shall have the right to recall its capacity by notifying the Acquiring Shipper and Transporter of such recall pursuant to the provisions of Section 19.4. All reservation charge credits to the Releasing Shipper's bill pursuant to this Subsection shall be final and nonreversible upon Transporter's receipt of full payment therefor from the Acquiring Shipper.
- (b) An Acquiring Shipper receiving capacity released from a FT-2 (MP) or FT-3 (MP) Transportation Service Agreement for use under Rate Schedule FT-2 (MP) or FT-3 (MP), or from a FT-2 (DI) Transportation Service Agreement for use under Rate Schedule FT-2 (DI), shall be billed by Transporter and shall make payments to Transporter in accordance with the terms of its executed FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement or a Temporary Release Agreement. On the Releasing Shipper's bill for a month in which it released capacity hereunder on a temporary basis, Transporter shall bill the Releasing Shipper subject to the terms of the Releasing Shipper's FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement with the MDQ equal to the MDQ of the Releasing Shipper prior to the release and the total quantity of gas allocated to the Releasing Shipper's FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement equal to the summation of the actual quantity of gas

Effective Date: 12/23/1997 Status: Effective

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allocated to both the Releasing Shipper's FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement and the Acquiring Shipper's Temporary Release Agreement in the month and shall credit the Releasing Shipper an amount equal to the total quantity of gas on which the Acquiring Shipper's bill for the same month was based (pursuant to the Acquiring Shipper's Temporary Release Agreement) times the lower of the Releasing Shipper's or Acquiring Shipper's rate under their respective FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement or Temporary Release Agreement; provided, however, that in the event the Acquiring Shipper fails to pay Transporter for any part of the amount credited to the Releasing Shipper's bill, Transporter reserves the right to reverse the credit on the Releasing Shipper's bill in a later month up to the unpaid amount plus interest thereon calculated pursuant to Section 14.3. If the Acquiring Shipper fails to pay its charges pursuant to the provisions of Section 14, the Releasing Shipper shall have the right to recall its capacity by notifying the Acquiring Shipper and Transporter of such recall pursuant to the provisions of Section 19.4. All credits to the Releasing Shipper's bill pursuant to this Subsection shall be final and nonreversible upon Transporter's receipt of full payment therefor from the Acquiring Shipper.

- (c) An Acquiring Shipper receiving capacity released from a FT-2 (MP) or FT-3 (MP) Transportation Service Agreement for use under Rate Schedule FT-1 (MP), or from a FT-2 (DI) Transportation Service Agreement for use under Rate Schedule FT-1 (DI), shall be billed by Transporter and shall make payments to Transporter in accordance with the terms of its executed FT-1 (MP) or FT-1 (DI) Transportation Service Agreement or a Temporary Release Agreement. On the Releasing Shipper's bill for a month in which it released capacity hereunder on a temporary basis, Transporter shall bill the Releasing Shipper subject to the terms of the Releasing Shipper's FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement (i) a charge based on, for billing purposes only, the Releasing Shipper's MDQ deemed equal to the unreleased capacity, (ii) a charge computed pursuant to Subsection 5(a)(ii) of Rate Schedule FT-2 (MP), FT-2 (DI) or FT-3 (MP), as applicable, with the Releasing Shipper's MDQ equal to 100% of the released capacity, and (iii) a credit equal to 100% of the released capacity, multiplied by the number of days in the month and multiplied by the lower of the Releasing Shipper's rate under its FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement or the Acquiring Shipper's rate

under its Temporary Release Agreement; provided, however, that in the event the Acquiring Shipper fails to pay Transporter for any part of the amount credited to the Releasing Shipper's bill, Transporter reserves the right to reverse the credit on the Releasing Shipper's bill in a later month up to the unpaid amount plus interest thereon calculated pursuant to Section 14.3. If the Acquiring Shipper fails to pay its reservation charges pursuant to the provisions of Section 14, the Releasing Shipper shall have the right to recall its capacity by notifying the Acquiring Shipper and Transporter of such recall pursuant to the provisions of Section 19.4. All credits to the Releasing Shipper's bill pursuant to this Subsection shall be final and nonreversible upon Transporter's receipt of full payment therefor from the Acquiring Shipper.

- (d) The Acquiring Shipper shall be obligated to pay Transporter the Reservation and Commodity Rates, plus all associated volumetric surcharges, applicable to the volumes Transporter transports under the Acquiring Shipper's FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement or Temporary Release Agreement. Transporter will retain the transportation charges and associated volumetric surcharges it received from the Acquiring Shipper. If any of the charged billed to and paid by the Acquiring Shipper under its FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreement or Temporary Release Agreement exceed the rate which the Commission determines to be just and reasonable and Transporter is ordered to make refunds, the Acquiring Shipper shall be eligible to receive refunds to the extent of any payments it made in excess of the rates the Commission subsequently determined to be just and reasonable.
- (e) Transporter and Releasing Shipper may, in connection with a Negotiated Rate based on a rate design other than straight fixed variable, agree upon a payment obligation and crediting mechanism that varies from or is in addition to the provision of this Section 19.7 in order to establish the basis of accounting for revenues from an Acquiring Shipper as a means of preserving the economic basis of the Negotiated Rate.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 207

19.8 Offers to Acquire Firm Capacity:

Transporter agrees to post on its EBB at a party's request offers to purchase firm capacity on a permanent or temporary basis. All such parties must have met the Prequalified Bidder Requirements pursuant to Subsection 19.6(e).

19.9 Timeline for Capacity Releases:

- (a) The Capacity Release Timeline is applicable to all parties involved in the capacity release process. However, it is only applicable if:
  - (i) all information provided by the parties to the transaction is valid and the Acquiring Shipper has been determined to be creditworthy before the capacity release is tendered, and
  - (ii) there are no special terms or conditions to the release.
- (b) For short-term releases (less than five months):
  - Offers should be tendered by 1:00 p.m. CCT on the day before nominations for short-term releases (less than 5 months);
  - open season ends at 2:00 p.m. CCT on the day before nominations are due (evaluation period begins at 2:00 p.m. CCT during which contingency is eliminated, determination of best bid is made, and ties are broken);
  - evaluation period ends at 3:00 p.m. CCT;
  - match or award is communicated by 3:00 p.m. CCT;
  - match response by 4:00 p.m. CCT;
  - award posting by 5:00 p.m. CCT;
  - posting of pre-arranged deals not subject to bid by 9:00 a.m. CCT the day of nominations;
  - contract tendered with contract number by 10:00 a.m. CCT; contract executed; nomination possible for next day gas flow.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 208** Original Sheet No. 208 : Effective

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

--Offers should be tendered by 1:00 p.m. CCT four business days before award for long-term releases;

--open season ends at 2:00 p.m. CCT on the day before nominations are due (open season is three business days);

--evaluation period begins at 2:00 p.m. CCT during which contingency is eliminated, determination of best bid is made, and ties are broken;

--evaluation period ends at 3:00 p.m. CCT;

--match or award is communicated by 3:00 p.m. CCT;

--match response by 4:00 p.m. CCT;

--award posting by 5:00 p.m. CCT;

--posting of pre-arranged deals not subject to bid by 9:00 a.m. CCT the day of nominations;

--contract tendered with contract number by 10:00 a.m. CCT; contract executed; nomination possible for next day gas flow.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 209 Through 211** Original Sheets No. 209 Through 211 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

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

Superseding: Original Sheet No. 212

20. REQUESTS FOR ADDITIONAL FACILITIES/EXPANDED CAPACITY

- 20.1 Shipper may request, by use of the Service Request Form, the addition of facilities to (or connecting to), or expansion of, Transporter's MP Facility or Transporter's DI Facility to allow the requesting Shipper to deliver/receive specified gas quantities under an existing or new Transportation Service Agreement.
- 20.2 Transporter shall determine the following information in response to the above request:
  - (a) the estimated cost of constructing and installing the requested additional facilities or modifying existing facilities ("New Facilities Cost") and an estimated time to accomplish such; and,
  - (b) assess the impact of the requested additional facilities or modified existing facilities on Transporter's ability to operate its system and continue to provide service pursuant to then existing Transportation Service Agreements.
- 20.3 If Transporter's assessment of the impact to its system is not negative, then based on the New Facilities Cost, if the requesting Shipper continues to desire to have the additional facilities added to Transporter's MP Facility or Transporter's DI Facility or existing facilities modified, the requesting Shipper and Transporter shall then execute the documents required to implement the requested service - new or amended Transportation Service Agreement, amended Exhibit "A", etc.
- 20.4 The provisions of this Section 20 shall not apply to the expansion of Transporter's MP Facility or Transporter's DI Facility which would require Transporter to obtain additional authority from the Commission.
- 20.5 Transporter shall submit an invoice to the requesting Shipper in the amount of the estimated New Facilities Cost. Shipper shall make payment to Transporter pursuant to the provisions of Section 14.2 of these General Terms and Conditions.
- 20.6 Transporter shall commence to construct and install the requested additional facilities or modify existing facilities upon receipt of the payment pursuant to Section 20.5.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

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

- 20.7 Within ninety (90) days after commencing service for the requesting Shipper, Transporter shall determine the actual New Facilities Cost. If the actual New Facilities Cost is less than the estimated New Facilities Cost paid by the requesting Shipper under Section 20.5, the difference shall be refunded to the requesting Shipper within thirty (30) days of such determination. If the actual New Facilities Cost is more than the estimated New Facilities Cost paid by the requesting Shipper under Section 20.5 the difference shall be invoiced to the requesting Shipper and paid within thirty (30) days of the date of the invoice.
- 20.8 Transporter shall have title to, own and operate all new facilities added to its system or modified pursuant to this Section 20.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 214** Original Sheet No. 214 : Effective

21. TRANSPORTER'S FACILITY MAINTENANCE

21.1 Notice of Maintenance:

When there is a need for Transporter to engage in routine and normal maintenance of Transporter's MP Facility or Transporter's DI Facility, to undertake repairs and replacements of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test equipment, or to engage in other similar actions affecting the capacity of any portions of Transporter's MP Facility or Transporter's DI Facility, Transporter shall inform all Shippers by posting on Transporter's EBB a description of activities that will affect the capacity of any portions of Transporter's MP Facility or Transporter's DI Facility, explaining in detail the action, the portion of Transporter's MP Facility or Transporter's DI Facility affected and the estimated time period for such activities.

21.2 Annual Maintenance Allocation:

Transporter may curtail service under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) and FT-3 (MP) for up to one hundred and twenty (120) hours per calendar year to perform maintenance on Transporter's MP Facility and Transporter's DI Facility, and during such time period(s) all Shippers with Transportation Service Agreements under Rate Schedules FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) shall continue to be subject to all reservation charges under such Transportation Service Agreements.

21.3 Additional Maintenance Period(s):

If the time period in Section 21.2 is exceeded for the performance of maintenance on Transporter's MP Facility and Transporter's DI Facility, and as a result Transporter is prevented in some degree from performing transportation services for Shippers under existing FT-1 (MP), FT-1 (DI), FT-2 (MP), FT-2 (DI) or FT-3 (MP) Transportation Service Agreements, then Transporter shall collect reservation charges under the affected Transportation Service Agreements only to the degree that transportation service was available for Shipper's use.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 215** Original Sheet No. 215 : Effective

22. MARKETING AFFILIATES

At this time, Transporter transacts no business with any "marketing affiliates" as defined in Section 161.2 of the Commission's Regulations, and shares no operating personnel, if any, with any such "marketing affiliates." In the event that Transporter commences in the future to transact any business with a "marketing affiliate," Transporter shall file the information required by Part 161 of the Commission's Regulations.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 216** Original Sheet No. 216 : Effective

23. COMPLAINTS

Transporter shall respond to any complaints which Shipper or a potential Shipper (as defined in Section 161.2 of the Commission's Regulations) has regarding transportation service on Transporter's MP Facility or Transporter's DI Facility within forty-eight (48) hours after receipt by Transporter. If such complaint is not resolved within thirty (30) days after Transporter's receipt of the complaint, Transporter shall respond in writing to the complaining party prior to the expiration of said thirty (30) day period.

Effective Date: 08/01/1998 Status: Effective  
FERC Docket: RP98-343-000

**First Revised Sheet No. 217** First Revised Sheet No. 217 : Effective  
Superseding: Substitute Original Sheet No. 217  
24.ELECTRONIC BULLETIN BOARD

Transporter maintains its EBB on the Internet's World Wide Web at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). Transporter's EBB provides all information required to be posted thereon under regulations of the Commission, together with such additional information as Transporter considers appropriate. Transporter's EBB provides the technical features specified in Section 284.10(a) and (c) (3) (ii) of the Commission's regulations. Information is posted in Transporter's EBB on the following subjects:

- (a) Operationally Available and Unsubscribed Capacity. Transporter shall provide on request operationally available capacity separate from unsubscribed capacity.
- (b) Capacity Release Information. Such information shall include Offers of released firm capacity posted pursuant to Section 19.6 and currently available for bid; currently operative Bids to purchase released firm capacity under Section 19.6; and notice of prearranged capacity release transactions not subject to bidding.
- (c) Notices, such as Critical and Non-Critical System-Wide Notices. Critical notices pertain to information on Transporter's system conditions that affect scheduling or adversely affect scheduled gas flow and shall have a separate category. System-wide notices shall have a separate category from notices that are not critical; for example, notices of firm capacity which is currently available or will become available by reason of the termination of a long-term Transportation Service Agreement and is or will be subject to an open season.
- (d) Affiliated Marketer Information. Such information shall include a capacity allocation log, notices of affiliate discounts and standards of conduct information.
- (e) Index of Firm Customers.
- (f) FERC Gas Tariff.

Transporter will comply with the requirements of Section 284.10 (c) (3) (iii) through (v) of the Commission's Regulations.



*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 218 Through 220** Original Sheets No. 218 Through 220 : Effective

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

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

25. ANNUAL CHARGE ADJUSTMENT CLAUSE

Recovery of the ACA charge is being suspended pursuant to the last sentence of 18 CFR 154.402(a).

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

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

26. RATE/TARIFF CHANGES

This FERC Gas Tariff, including these General Terms and Conditions, and the respective obligations of the parties under any Transportation Service Agreement are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 223** Original Sheet No. 223 : Effective

27. CONFLICTS

In the event of a conflict between these General Terms and Conditions and a Rate Schedule under this Tariff, the provisions of the Rate Schedule shall govern. In the event of a conflict between these General Terms and Conditions and/or a Rate Schedule and the provisions of an executed Transportation Service Agreement, the provisions of the Transportation Service Agreement shall govern.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 224** Substitute Original Sheet No. 224 : Effective

Superseding: Original Sheet No. 224

28. DISCOUNTING POLICY

Transporter may, from time to time, selectively adjust any or all of the rates charged to any individual shipper for service under Part 284 of the Commission's regulations for which Maximum and Minimum Rates are stated in this FERC Gas Tariff.

The Discounting of Rates shall be done in the following order:

Reservation Rate.

Commodity Rate is not discountable.

Other charges exclusive of the ACA Unit Charge.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 225** Original Sheet No. 225 : Effective

29. PERIODIC REPORTS

Transporter does not currently have any periodic reports that must be made pursuant to Commission order or to a settlement proceeding initiated under Parts 154 or 284 of the Commission's Regulations.

Effective Date: 11/02/1998 Status: Effective  
FERC Docket: RP99- 50-001

**Substitute Second Revised Sheet No. 226** Substitute Second Revised Sheet No. 226 : Effective  
Superseding: Second Revised Sheet No. 226  
30.GAS INDUSTRY STANDARDS BOARD

Transporter hereby incorporates into this Gas Tariff by reference the following GISB standards which are required by the Commission in 18 CFR Part 284.10(b):

GISB Standard Number:

1.2.1ver.1.23.3.1ver.1.25.3.5ver.1.2  
1.2.2ver.1.23.3.2ver.1.25.3.9ver.1.2  
1.2.3ver.1.23.3.5ver.1.25.3.10ver. 1.2  
1.2.5ver.1.23.3.6ver.1.25.3.11ver.1.2  
1.2.8 ver. 1.3 3.3.7ver.1.25.3.17ver.1.2  
1.2.9 ver. 1.3 3.3.8ver.1.25.3.20ver.1.2  
1.2.10 ver. 1.3 3.3.10ver.1.25.3.21ver.1.2  
1.2.11 ver. 1.3 3.3.11ver.1.25.3.22ver.1.2  
1.2.12 ver. 1.3 3.3.12ver.1.25.3.23ver.1.2  
1.3.4ver.1.23.3.13ver.1.25.3.27ver.1.2  
1.3.15ver.1.23.3.16ver.1.25.3.30 ver. 1.2  
1.3.16ver.1.23.3.20ver.1.25.4.1ver. 1.2  
1.3.17ver.1.23.3.21ver.1.25.4.2ver. 1.2  
1.3.18ver.1.23.4.1ver.1.25.4.3ver. 1.2  
1.3.19ver.1.23.4.2ver.1.25.4.4ver. 1.2  
1.3.20ver.1.33.4.3ver.1.25.4.5ver. 1.2  
1.3.21ver.1.24.3.1ver.1.25.4.6ver. 1.2  
1.3.23ver.1.24.3.2ver.1.25.4.7ver. 1.2  
1.3.24ver.1.24.3.3ver.1.25.4.8ver. 1.2  
1.3.25ver.1.24.3.5ver.1.25.4.9ver. 1.2  
1.3.27ver.1.24.3.6ver.1.25.4.10ver.1.2  
1.3.28ver.1.24.3.7ver.1.25.4.11ver.1.2  
1.3.29ver.1.24.3.8ver.1.25.4.12ver.1.2  
1.3.30ver.1.24.3.9ver.1.25.4.13ver.1.2  
1.3.31ver.1.24.3.10ver.1.25.4.14ver.1.2  
1.3.34ver.1.24.3.11ver.1.25.4.15ver.1.2  
1.3.39 ver. 1.3 4.3.12ver.1.25.4.16ver.1.2  
1.3.40 ver. 1.3 4.3.13ver.1.25.4.17ver.1.2  
1.3.41 ver. 1.3 4.3.14ver.1.2  
1.3.42 ver. 1.3 4.3.15ver.1.2  
1.3.43 ver. 1.3 4.3.16 ver. 1.2  
1.4.1ver.1.2  
1.4.2ver.1.2  
1.4.3ver.1.2  
1.4.4ver.1.2  
1.4.5ver.1.2  
1.4.6 ver. 1.2  
2.3.1ver.1.2  
2.3.2ver.1.2  
2.3.22ver.1.2  
2.3.25ver.1.2  
2.4.1ver.1.2  
2.4.2ver.1.2  
2.4.3ver.1.2  
2.4.4ver.1.2  
2.4.5 ver. 1.2  
2.4.6 ver. 1.2

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 227 Through 229** Original Sheets No. 227 Through 229 : Effective

Reserved for Future Use



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 230** Substitute Original Sheet No. 230 : Effective  
Superseding: Original Sheet No. 230  
FT-1 (MP) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule FT-1 (MP))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper".  
Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on each Path specified on Exhibit "A" attached hereto, on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the term hereof. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

#### ARTICLE II

##### TRANSPORTATION

Transporter agrees to accept and receive daily on a firm basis, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 231** Original Sheet No. 231 : Effective

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

or

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 232** Substitute Original Sheet No. 232 : Effective  
Superseding: Original Sheet No. 232

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-1 (MP) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule FT-1 (MP).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1 (MP), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-1 (MP) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-1 (MP) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 234** First Revised Sheet No. 234 : Effective  
Superseding: Substitute Original Sheet No. 234

(b) Shipper agrees to indemnify, defend and hold  
Transporter harmless from all suits, actions, debts,  
accounts, damages, costs, losses and expense  
(including reasonable attorneys fees) arising from  
or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue  
service hereunder in the event of any breach of warranty.

#### ARTICLE XII

##### TERM

12.1 This Agreement shall be effective on \_\_\_\_\_  
or on the date of first flow, whichever occurs first, and  
shall remain in force and effect until  
\_\_\_\_\_, 19\_\_\_\_ ("Primary Term") and on a  
month to month basis thereafter unless and until terminated  
by either Party upon the minimum prior written notice to  
the other Party as specified below:

Primary Term, Years	Minimum Termination Notice, Days
* 1	30
* greater than 1 and less than or equal to 5	45
* greater than 5 and less than or equal to 10	60
* greater than 10	90

12.2 Any portion of this Agreement necessary to resolve  
imbalances under this Agreement as required by the General  
Terms and Conditions of Transporter's FERC Gas Tariff shall  
survive the other parts of this Agreement until such time  
as such balancing has been accomplished; provided, however,  
that Transporter notifies Shipper of such imbalance no  
later than twelve months after the termination of this  
Agreement.

12.3 This Agreement shall be subject to termination upon thirty  
(30) days prior written notice to Shipper from Transporter  
in the event Shipper fails to pay the amount of any bill  
for service rendered by Transporter hereunder in accordance  
with Section 14 of the General Terms and Conditions of  
Transporter's FERC Gas Tariff. Such notice of termination  
shall be ineffective if Shipper pays and Transporter  
receives all amounts then due (other than amounts subject  
to a good faith dispute) prior to the effective date of  
termination.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 235** Original Sheet No. 235 : Effective

12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 236** Substitute Original Sheet No. 236 : Effective  
Superseding: Original Sheet No. 236

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-1 (MP) are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's MP Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 237** First Revised Sheet No. 237 : Effective  
Superseding: Substitute Original Sheet No. 237

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Section 4.1 of rate Schedule FT-1 (MP).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_



Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 238** Original Sheet No. 238 : Effective

FT-1 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO FT-1 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY	
MAXIMUM	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY	DAILY
DELIVERY	DAILY	POINT	RECEIPT	POINT	POINT	
QUANTITY	QUANTITY		QUANTITY	PRESSURE		
	Dth/d		Dth/d	psig		Dth/d
Path1	_____	_____	_____	_____	_____	
Path2	_____	_____	_____	_____	_____	

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 239 Through 241** Original Sheets No. 239 Through 241 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

Original Sheet No. 242 Original Sheet No. 242 : Effective

FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule FT-2 (MP))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the Delivery Period for each Path specified on Exhibit "A" attached hereto. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto. Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any given Delivery Period(s) for any Path(s) set forth in Exhibit "A" attached hereto, in accordance with Rate Schedule FT-2 (MP) of Transporter's FERC Gas Tariff.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Dedicated Lease(s) - shall mean those lease(s) set forth on Exhibit "B" hereto which were committed to Transporter's MP Facility by FT-2 (MP) Reserve Commitment Agreement dated \_\_\_\_\_.
- 1.4 Delivery Period(s) - shall mean the Delivery Period(s) specified on Exhibit "A" attached hereto.
- 1.5 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 243** Substitute Original Sheet No. 243 : Effective  
Superseding: Original Sheet No. 243

ARTICLE II

TRANSPORTATION

- 2.1 Transporter agrees to accept and receive daily on a firm basis, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for the applicable Delivery Period for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.
- 2.2 Transporter shall have no obligation to accept any gas for transportation under this Agreement other than gas produced by or for the account of Shipper from, or controlled by Shipper and produced from, the Dedicated Lease(s).

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]  
  
or
- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
- 4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 244** Substitute Original Sheet No. 244 : Effective  
Superseding: Original Sheet No. 244

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-2 (MP) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule FT-2 (MP).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-2 (MP), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.
- 6.4 From time to time Shipper and Transporter may agree to a Negotiated Rate for a specified term for service hereunder. Provisions governing such Negotiated Rate and term shall be set forth on Exhibit "C" attached hereto.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 245** Original Sheet No. 245 : Effective

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-2 (MP) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-2 (MP) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 246** First Revised Sheet No. 246 : Effective  
Superseding: Original Sheet No. 246

ARTICLE XI

WARRANTIES

11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

12.1 This Agreement shall be effective on \_\_\_\_\_ or on the date of first flow, whichever occurs first, and shall remain in force and effect for the economic life of the Dedicated Lease(s).

12.2 Any portion of this Agreement necessary to resolve imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 247** Substitute Original Sheet No. 247 : Effective  
Superseding: Original Sheet No. 247

12.3 This Agreement shall be subject to termination upon thirty (30) days prior written notice to Shipper from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such notice of termination shall be ineffective if Shipper pays and Transporter receives all amounts then due (other than amounts subject to a good faith dispute) prior to the effective date of termination.

12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.



Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 248** First Revised Sheet No. 248 : Effective  
Superseding: Substitute Original Sheet No. 248

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

#### ARTICLE XIV

##### ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may assign any of its rights hereunder to any company to which Shipper assigns all or any portion of its interests in the Dedicated Lease(s), provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-2 (MP) are met by the assignee. All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Dedicated Lease(s) so assigned. Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's MP Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

##### MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 249** First Revised Sheet No. 249 : Effective  
Superseding: Substitute Original Sheet No. 249

15.4 Exhibits "A", "B" and "C" attached hereto are incorporated herein by reference and made a part hereof for all purposes.

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Section 4.1 of Rate Schedule FT-2 (MP).

15.6 In consideration of the MDQ reduction rights set forth in Section 1.1 of this Agreement, Shipper agrees to waive its rights to any revenues from a release of its FT-2 MP capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under this Agreement as provided in Rate Schedule FT-2 (MP).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 250** Original Sheet No. 250 : Effective

FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

	DELIVERY	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY
MAXIMUM	PERIOD	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY
DAILY	DATES	DAILY	POINT	RECEIPT	POINT	POINT
DELIVERY	(Start/End) 1	QUANTITY		QUANTITY	PRESSURE	
QUANTITY		Dth/d		Dth/d	psig	
Dth/d						
Path1	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
Path2	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

1 No Delivery Period shall be less than 12 consecutive months.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 251** Original Sheet No. 251 : Effective

FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "B"

TO FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE SHIPPER'S WORKING INTEREST ASSOCIATED BLOCK

\_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 252** Original Sheet No. 252 : Effective

FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "C"

TO FT-2 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 4.5 of Rate Schedule FT-2 (MP) and notifies Transporter that it desires to be billed, and agrees to pay, the charges specified below for the period commencing \_\_\_\_\_ and continuing until \_\_\_\_\_. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FT-2 (MP) set forth on the applicable effective sheets of Transporter's FERC Gas Tariff showing the Maximum Rate and Minimum Rate for such Rate Schedule, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under such Rate Schedule.

Specification of Negotiated Rate:

[Include any payment obligation and crediting mechanism as provided in the last paragraph of Section 4.5 of the Rate Schedule.]

Transporter

By: \_\_\_\_\_

Shipper

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Supersedes Exhibit "C" Dated: \_\_\_\_\_

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 253 Through 255** Original Sheets No. 253 Through 255 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

Original Sheet No. 256 Original Sheet No. 256 : Effective

FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule FT-3 (MP))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the Delivery Period for each Path specified on Exhibit "A" attached hereto. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto. Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any Path(s) set forth in Exhibit "A" attached hereto, in accordance with Rate Schedule FT-3 (MP) of Transporter's FERC Gas Tariff.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Dedicated Lease(s) - shall mean those lease(s) set forth on Exhibit "B" hereto which were committed to Transporter's MP Facility by FT-3 Reserve Commitment Agreement dated \_\_\_\_\_.
- 1.4 Main Pass Gas Gathering System or MPS - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.5 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 257** Substitute Original Sheet No. 257 : Effective  
Superseding: Original Sheet No. 257

ARTICLE II

TRANSPORTATION

- 2.1 Transporter agrees to accept and receive daily on a firm basis, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.
- 2.2 Transporter shall have no obligation to accept any gas for transportation under this Agreement other than MPS Excess Quantity as defined in Rate Schedule FT-3 (MP).

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]
- or
- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
  - 4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporters FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 258** Substitute Original Sheet No. 258 : Effective  
Superseding: Original Sheet No. 258

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-3 (MP) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule FT-3 (MP).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-3 (MP), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.
- 6.4 From time to time Shipper and Transporter may agree to a Negotiated Rate for a specified term for service hereunder. Provisions governing such Negotiated Rate and term shall be set forth on Exhibit "C" attached hereto.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-3 (MP) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-3 (MP) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 260** First Revised Sheet No. 260 : Effective  
Superseding: Substitute Original Sheet No. 260

for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.

- (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

#### ARTICLE XII

##### TERM

- 12.1 This Agreement shall be effective on \_\_\_\_\_ or on the date of first flow, whichever occurs first, and shall remain in force and effect for the economic life of the Dedicated Lease(s).
- 12.2 Any portion of this Agreement necessary to resolve imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.
- 12.3 This Agreement shall be subject to termination upon thirty (30) days prior written notice to Shipper from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such notice of termination shall be ineffective if Shipper pays and Transporter receives all amounts then due (other than amounts subject to a good faith dispute) prior to the effective date of termination.
- 12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 261** Original Sheet No. 261 : Effective

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 262** First Revised Sheet No. 262 : Effective  
Superseding: Substitute Original Sheet No. 262

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may assign any of its rights hereunder to any company to which Shipper assigns all or any portion of its interests in the Dedicated Lease(s), provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-3 (MP) are met by the assignee. All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Dedicated Lease(s) so assigned. Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's MP Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibits "A", "B" and "C" attached hereto are incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 263** First Revised Sheet No. 263 : Effective  
Superseding: Substitute Original Sheet No. 263

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Section 4.1 of Rate Schedule FT-3 (MP).

15.6 In consideration of the MDQ reduction rights set forth in Section 1.1 of this Agreement, Shipper agrees to waive its rights to any revenues from a release of its FT-3 MP capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under this Agreement as provided in Rate Schedule FT-3 (MP).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 264** Original Sheet No. 264 : Effective

FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY	
MAXIMUM	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY	DAILY
DELIVERY	DAILY	POINT	RECEIPT	POINT	POINT	
QUANTITY	QUANTITY		QUANTITY	PRESSURE		
	Dth/d		Dth/d	psig		Dth/d
Path1	_____	_____	_____	_____	_____	
Path2	_____	_____	_____	_____	_____	

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 265** Original Sheet No. 265 : Effective

FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "B"

TO FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE

SHIPPER'S WORKING INTEREST

ASSOCIATED BLOCK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 266** Original Sheet No. 266 : Effective

FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "C"

TO FT-3 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_  
NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 4.5 of Rate Schedule FT-3 (MP) and notifies Transporter that it desires to be billed, and agrees to pay, the charges specified below for the period commencing \_\_\_\_\_ and continuing until \_\_\_\_\_. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FT-3 (MP) set forth on the applicable effective sheets of Transporter's FERC Gas Tariff showing the Maximum Rate and Minimum Rate for such Rate Schedule, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under such Rate Schedule.

Specification of Negotiated Rate:

[Include any payment obligation and crediting mechanism as provided in the last paragraph of Section 4.5 of the Rate Schedule.]

Transporter

By: \_\_\_\_\_

Shipper

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Supersedes Exhibit "C" Dated: \_\_\_\_\_

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 267 Through 269** Original Sheets No. 267 Through 269 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 270** Substitute Original Sheet No. 270 : Effective  
Superseding: Original Sheet No. 270  
IT-1 (MP) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule IT-1(MP))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, as \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on each Path specified on Exhibit "A" attached hereto, subject to Article II herein, for the account of Shipper hereunder on each day during the term hereof, with the total Maximum Daily Quantity for all Paths not to exceed \_\_\_\_\_ Dth. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

#### ARTICLE II

##### TRANSPORTATION

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

or

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 272** Substitute Original Sheet No. 272 : Effective  
Superseding: Original Sheet No. 272

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas for transportation hereunder, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule IT-1 (MP) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule IT-1 (MP).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT-1 (MP), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule IT-1 (MP) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule IT-1 (MP) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 274** First Revised Sheet No. 274 : Effective  
Superseding: Substitute Original Sheet No. 274

(b) Shipper agrees to indemnify, defend and hold  
Transporter harmless from all suits, actions, debts,  
accounts, damages, costs, losses and expense  
(including reasonable attorneys fees) arising from  
or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue  
service hereunder in the event of any breach of warranty.

#### ARTICLE XII

##### TERM

12.1 This Agreement shall be effective on \_\_\_\_\_ or  
on the date of first flow, whichever occurs first, and  
shall remain in force and effect on a month to month basis  
unless and until terminated by either Party upon at least  
thirty (30) days prior written notice to the other Party.

12.2 Any portion of this Agreement necessary to resolve  
imbalances under this Agreement as required by the General  
Terms and Conditions of Transporter's FERC Gas Tariff shall  
survive the other parts of this Agreement until such time  
as such balancing has been accomplished; provided, however,  
that Transporter notifies Shipper of such imbalance no  
later than twelve months after the termination of this  
Agreement.

12.3 This Agreement shall be subject to termination upon thirty  
(30) days prior written notice to Shipper from Transporter  
in the event Shipper fails to pay the amount of any bill  
for service rendered by Transporter hereunder in accordance  
with Section 14 of the General Terms and Conditions of  
Transporter's FERC Gas Tariff. Such notice of termination  
shall be ineffective if Shipper pays and Transporter  
receives all amounts then due (other than amounts subject  
to a good faith dispute) prior to the effective date of  
termination.

12.4 The indemnification provisions and payment obligations  
hereof shall survive such termination relative to all  
losses, deaths, injuries, claims, billings, liens, demands  
and causes of action of every kind and character,  
discovered or undiscovered, arising out of, or in  
connection with, or as an incident to this Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 275** Original Sheet No. 275 : Effective

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 276** Substitute Original Sheet No. 276 : Effective  
Superseding: Original Sheet No. 276

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule IT-1 (MP) are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's MP Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 277** First Revised Sheet No. 277 : Effective  
Superseding: Substitute Original Sheet No. 277

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, provided in Section 4.1 of Rate Schedule IT-1 (MP).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 278** Original Sheet No. 278 : Effective

IT-1 (MP) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO IT-1 (MP) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

---

	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY	
MAXIMUM	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY	DAILY
DELIVERY	DAILY	POINT	RECEIPT	POINT	POINT	
QUANTITY	QUANTITY		QUANTITY	PRESSURE		
	Dth/d		Dth/d	psig		Dth/d
Path1	_____	_____	_____	_____	_____	
Path2	_____	_____	_____	_____	_____	

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 279 Through 281** Original Sheets No. 279 Through 281 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 282** Substitute Original Sheet No. 282 : Effective  
Superseding: Original Sheet No. 282

FT-1 (DI) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule FT-1 (DI))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper".  
Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on each Path specified on Exhibit "A" attached hereto, on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the term hereof. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

#### ARTICLE II

##### TRANSPORTATION

Transporter agrees to accept and receive daily on a firm basis, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 283** Original Sheet No. 283 : Effective

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

or

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 284** Substitute Original Sheet No. 284 : Effective  
Superseding: Original Sheet No. 284

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-1 (DI) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which Transporter incurs in rendering service hereunder in accordance with Rate Schedule FT-1 (DI).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1 (DI), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-1 (DI) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-1 (DI) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.
  - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.



Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 286** First Revised Sheet No. 286 : Effective  
Superseding: Substitute Original Sheet No. 286

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

12.1 This Agreement shall be effective on \_\_\_\_\_ or on the date of first flow, whichever occurs first, and shall remain in force and effect until \_\_\_\_\_, 19\_\_\_\_ ("Primary Term") and on a month to month basis thereafter unless and until terminated by either Party upon the minimum prior written notice to the other Party as specified below:

Primary Term, Years	Minimum Termination Notice, Days
* 1	30
* greater than 1 and less than or equal to 5	45
* greater than 5 and less than or equal to 10	60
* greater than 10	90

12.2 Any portion of this Agreement necessary to resolve imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement shall be subject to termination upon thirty (30) days prior written notice to Shipper from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such notice of termination shall be ineffective if Shipper pays and Transporter receives all amounts then due (other than amounts subject to a good faith dispute) prior to the effective date of termination.

12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 287** Original Sheet No. 287 : Effective

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 288** Substitute Original Sheet No. 288 : Effective  
Superseding: Original Sheet No. 288

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-1 (DI) are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's DI Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 289** First Revised Sheet No. 289 : Effective  
Superseding: Substitute Original Sheet No. 289

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Section 4.1 of Rate Schedule FT-1 (DI).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 290** Original Sheet No. 290 : Effective

FT-1 (DI) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO FT-1 (DI) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY
MAXIMUM	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY
DAILY	DAILY	POINT	RECEIPT	POINT	POINT
DELIVERY	QUANTITY		QUANTITY	PRESSURE	
QUANTITY	Dth/d		Dth/d	psig	
Dth/d					
Path1	_____	_____	_____	_____	_____
_____					
Path2	_____	_____	_____	_____	_____
_____					

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

Original Sheet No. 291 Original Sheet No. 291 : Effective

FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule FT-2 (DI))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during the Delivery Period for each Path specified on Exhibit "A" attached hereto. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto. Shipper shall have the right, at any time and from time to time, to permanently reduce, in whole or in part, the MDQ for any given Delivery Period(s) for any Path(s) set forth in Exhibit "A" attached hereto, in accordance with Rate Schedule FT-2 (DI) of Transporter's FERC Gas Tariff.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Dedicated Lease(s) - shall mean those lease(s) set forth on Exhibit "B" hereto which were committed to Transporter's DI Facility by FT-2 (DI) Reserve Commitment Agreement dated \_\_\_\_\_.
- 1.4 Delivery Period(s) - shall mean the Delivery Period(s) specified on Exhibit "A" attached hereto.
- 1.5 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 292** Substitute Original Sheet No. 292 : Effective  
Superseding: Original Sheet No. 292

ARTICLE II

TRANSPORTATION

- 2.1 Transporter agrees to accept and receive daily on a firm basis, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for the applicable Delivery Period for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.
- 2.2 Transporter shall have no obligation to accept any gas for transportation under this Agreement other than gas produced by or for the account of Shipper from, or controlled by Shipper and produced from, the Dedicated Lease(s).

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path,

ARTICLE IV

FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]
- or
- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
- 4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 293** Substitute Original Sheet No. 293 : Effective  
Superseding: Original Sheet No. 293

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-2 (DI) and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule FT-2 (DI).
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-2 (DI), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.
- 6.4 From time to time Shipper and Transporter may agree to a Negotiated Rate for a specified term for service hereunder. Provisions governing such Negotiated Rate and term shall be set forth on Exhibit "C" attached hereto.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-2 (DI) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-2 (DI) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.



ARTICLE IX

REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.
  - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 295** First Revised Sheet No. 295 : Effective  
Superseding: Substitute Original Sheet No. 295

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

#### ARTICLE XII

##### TERM

- 12.1 This Agreement shall be effective on \_\_\_\_\_ or on the date of first flow, whichever occurs first, and shall remain in force and effect for the economic life of the Dedicated Lease(s).
- 12.2 Any portion of this Agreement necessary to resolve imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.
- 12.3 This Agreement shall be subject to termination upon thirty (30) days written notice to Shipper from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such notice of termination shall be ineffective if Shipper pays and Transporter receives all amounts then due (other than amounts subject to a good faith dispute) prior to the effective date of termination.
- 12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 296** First Revised Sheet No. 296 : Effective  
Superseding: Original Sheet No. 296

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE XIV

ASSIGNMENTS

14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may assign any of its rights hereunder to any company to which Shipper assigns all or any portion of its interests in the Dedicated Lease(s), provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-2 (DI) are met by the

*Effective Date: 01/10/1999 Status: Effective*

*FERC Docket: RP99-181-000*

**Original Sheet No. 296A** Original Sheet No. 296A : Effective

assignee. All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Dedicated Lease(s) so assigned. Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.

**First Revised Sheet No. 297** First Revised Sheet No. 297 : Effective  
Superseding: Substitute Original Sheet No. 297

- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's DI Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibits "A", "B" and "C" attached hereto are incorporated herein by reference and made a part hereof for all purposes.
- 15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing

*Effective Date: 01/10/1999 Status: Effective*

*FERC Docket: RP99-181-000*

**Original Sheet No. 297A** Original Sheet No. 297A : Effective

rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Rate Schedule FT-2 (DI).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 298** Substitute Original Sheet No. 298 : Effective  
Superseding: Original Sheet No. 298

15.6 In consideration of the MDQ reduction rights set forth in Section 1.1 of this Agreement, Shipper agrees to waive its rights to any revenues from a release of its FT-2 DI capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under this Agreement as provided in Rate Schedule FT-2 (DI).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 299** Original Sheet No. 299 : Effective

FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

PRIMARY DELIVERY	MAXIMUM DAILY DELIVERY QUANTITY	DELIVERY PERIOD DATES (Start/End) <sup>1</sup>	PATH MAXIMUM DAILY QUANTITY	PRIMARY RECEIPT POINT	MAXIMUM DAILY RECEIPT QUANTITY	MAXIMUM RECEIPT POINT PRESSURE	
			Dth/d		Dth/d	psig	POINT
Path1	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Path2	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____

1 No Delivery Period shall be less than 12 consecutive months.



Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 300** Original Sheet No. 300 : Effective

FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

Exhibit "B"

TO FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE

SHIPPER'S WORKING INTEREST

ASSOCIATED BLOCK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 301** Original Sheet No. 301 : Effective

FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

Exhibit "C"

TO FT-2 (DI) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_  
NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 4.5 of Rate Schedule FT-2 (DI) and notifies Transporter that it desires to be billed, and agrees to pay, the charges specified below for the period commencing \_\_\_\_\_ and continuing until \_\_\_\_\_. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FT-2 (DI) set forth on the applicable effective sheet of Transporter's FERC Gas Tariff showing the Maximum Rate and Minimum Rate for such Rate Schedule, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under such Rate Schedule.

Specification of Negotiated Rate:

[Include any payment obligation and crediting mechanism as provided in the last paragraph of Section 4.5 of the Rate Schedule.]

Transporter

By: \_\_\_\_\_

Shipper

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Supersedes Exhibit "C" Dated: \_\_\_\_\_

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 302 Through 304** Original Sheets No. 302 Through 304 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 305** Substitute Original Sheet No. 305 : Effective  
Superseding: Original Sheet No. 305  
IT-1 (DI) TRANSPORTATION SERVICE AGREEMENT  
(For Use Under Rate Schedule IT-1(DI))

THIS TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I

DEFINITIONS

- 1.1 Maximum Daily Quantity or MDQ - shall mean the maximum daily quantity of gas in Dth which Transporter agrees to receive (excluding lost-and-unaccounted-for gas) and transport on each Path specified on Exhibit "A" attached hereto, subject to Article II herein, for the account of Shipper hereunder on each day during the term hereof. Any limitations on the quantities to be received from each Receipt Point or delivered to each Delivery Point shall be as specified on Exhibit "A" attached hereto.
- 1.2 The term equivalent quantity shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 Path - shall mean the pathway between a Primary Receipt Point and Primary Delivery Point through which gas is transported under a Transportation Service Agreement. Gas received at a Primary Receipt Point specified on Exhibit "A" attached hereto, shall be delivered at the associated Primary Delivery Point specified on Exhibit "A" attached hereto.

ARTICLE II

TRANSPORTATION

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Primary Receipt Point(s) from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Maximum Daily Quantity for each Path, and to deliver to or for the account of Shipper to the Primary Delivery Point(s) an equivalent quantity of gas.

ARTICLE III

RECEIPT AND DELIVERY POINTS

The Primary Receipt Point(s) and the Primary Delivery Point(s), and the associated Path, shall be as specified on Exhibit "A" attached hereto.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 306** Substitute Original Sheet No. 306 : Effective  
Superseding: Original Sheet No. 306

ARTICLE IV

FACILITIES

4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

or

4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

4.2 Transporter's obligation to build or install new facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

6.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas for transportation hereunder, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule IT-1 (DI) and the General Terms and Conditions of Transporter's FERC Gas Tariff.

6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees which Transporter incurs in rendering service hereunder in accordance with Rate Schedule IT-1 (DI).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 307** Substitute Original Sheet No. 307 : Effective  
Superseding: Original Sheet No. 307

6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT-1 (DI), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to that Rate Schedule. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

#### ARTICLE VII

##### BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule IT-1 (DI) and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

#### ARTICLE VIII

##### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule IT-1 (DI) and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

#### ARTICLE IX

##### REGULATION

9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 308** First Revised Sheet No. 308 : Effective  
Superseding: Original Sheet No. 308

ARTICLE X

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI

WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream gathering and transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream gatherers and transporters of the Receipt and Delivery Points under this Agreement and any quantity limitations for each Point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream gatherer or transporter fails to receive or deliver gas as contemplated by this Agreement.
  - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

- 12.1 This Agreement shall be effective on \_\_\_\_\_ or on the date of first flow, whichever occurs first, and shall remain in force and effect on a month to month basis unless and until terminated by either Party upon at least thirty (30) days prior written notice to the other Party.
- 12.2 Any portion of this Agreement necessary to resolve imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 309** Substitute Original Sheet No. 309 : Effective  
Superseding: Original Sheet No. 309

12.3 This Agreement shall be subject to termination upon thirty (30) days prior written notice to Shipper from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Such notice of termination shall be ineffective if Shipper pays and Transporter receives all amounts then due (other than amounts subject to a good faith dispute) prior to the effective date of termination.

12.4 The indemnification provisions and payment obligations hereof shall survive such termination relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Shipper shall amend this listing in writing when there is any change of authorized persons.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 310** Substitute Original Sheet No. 310 : Effective  
Superseding: Original Sheet No. 310

ARTICLE XIV

ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule IT-1 (DI) are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or to Transporter's DI Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 311** First Revised Sheet No. 311 : Effective  
Superseding: Substitute Original Sheet No. 311

15.5 Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium). Transporter may process or have processed Shipper's gas during any time the owner of the processing rights associated with such gas is not processing or having such gas processed, and when a processing plant is not processing such gas for the account of the processing plant under the terms of the processing agreement between the owner of such processing rights and such processing plant, and Shipper hereby conveys such processing rights to Transporter as is required by Transporter in order to implement this sentence. In the event Transporter processes or has processed Shipper's gas, Transporter shall keep Shipper whole on a thermally equivalent basis for any reduction in heating value due to such processing. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter and any costs associated with Transporter exercising its processing rights shall not be borne by Shipper. Shipper shall pay Transporter for costs incurred by Transporter for the recovery of liquid hydrocarbons from Shipper's gas by Transporter using conventional gravity separation facilities during transportation, the amount provided in Section 4.1 of Rate Schedule IT-1 (DI).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

**Original Sheet No. 312** Original Sheet No. 312 : Effective

IT-1 (DI) TRANSPORTATION SERVICE AGREEMENT

Exhibit "A"

TO IT-1 (DI) TRANSPORTATION SERVICE AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

	PATH	PRIMARY	MAXIMUM	MAXIMUM	PRIMARY
MAXIMUM	MAXIMUM	RECEIPT	DAILY	RECEIPT	DELIVERY
DAILY	DAILY	POINT	RECEIPT	POINT	POINT
DELIVERY	QUANTITY		QUANTITY	PRESSURE	
QUANTITY	Dth/d		Dth/d	psig	
Dth/d	_____	_____	_____	_____	_____
Path1	_____	_____	_____	_____	_____
Path2	_____	_____	_____	_____	_____

*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 313 Through 315** Original Sheets No. 313 Through 315 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

Original Sheet No. 316 Original Sheet No. 316 : Effective

TEMPORARY RELEASE OF FIRM TRANSPORTATION  
CAPACITY SERVICE AGREEMENT  
(Transporter's MP Facility)

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Acquiring Shipper". Transporter and Acquiring Shipper shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Transporter provides firm transportation services to Shippers under Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and Transporter's Rate Schedule FT-1 (MP) of its FERC Gas Tariff or Rate Schedules FT-2 (MP) or FT-3 (MP) of its FERC Gas Tariff; and,

WHEREAS, Shippers have the right to offer their firm transportation capacity under Rate Schedules FT-1 (MP), FT-2 (MP) and FT-3 (MP) for release to other parties on a temporary basis pursuant to Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff; and,

WHEREAS, Acquiring Shipper will be bidding on offers of released transportation capacity, and to the extent Acquiring Shipper is successful in its bid(s), Transporter is willing to provide firm transportation service to Acquiring Shipper pursuant to the provisions of Rate Schedule FT-1 (MP), Subpart G of Part 284 of the Commission's Regulations and this Agreement or Rate Schedules FT-2 (MP) or FT-3 (MP) and this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE I

SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 6.3 of the applicable Rate Schedule are met in order for Acquiring Shipper to be prequalified for capacity releases and this Agreement is effective, Acquiring Shipper may bid from time to time on proposed capacity releases under Rate Schedules FT-1 (MP), FT-2 (MP), and FT-3 (MP) pursuant to the procedures set forth in Section 19 of Transporter's General Terms and Conditions. If at any time a bid submitted by Acquiring Shipper is deemed to be the best bid by Transporter with respect to a given offer to release firm transportation capacity, Transporter will promptly finalize the appropriate Addendum to this Agreement, in the format attached hereto. Upon finalization of such Addendum, Acquiring Shipper and Transporter agree that Acquiring Shipper shall be considered for all purposes as a Shipper with respect to the released service.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 317** Substitute Original Sheet No. 317 : Effective  
Superseding: Original Sheet No. 317

- 1.2 Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of the applicable Rate Schedule, Transporter agrees to provide the released firm transportation service for Acquiring Shipper under Rate Schedule FT-1 (MP), FT-2 (MP) or FT-3 (MP), the General Terms and Conditions incorporated therein and this Agreement.
- 1.3 Acquiring Shipper hereby agrees to promptly provide any information necessary for Transporter to reevaluate Acquiring Shipper's credit appraisal under Section 6.3 of the applicable Rate Schedule and to advise Transporter of any material change in the information previously provided by the Acquiring Shipper to Transporter.
- 1.4 Subject to the terms and provisions of this Agreement, the applicable Rate Schedule, and the General Terms and Conditions of Transporter's FERC Gas Tariff, Acquiring Shipper agrees to deliver, or cause to be delivered, to Transporter at the Primary Receipt Point(s) described in the Addendum and Exhibit "A" to this Agreement, and Transporter agrees to accept at such Point(s) for transportation under this Agreement, a quantity of gas on any day on a firm basis limited to the Receipt Point(s) and MDRQ(s) set out on the Addendum in effect on that day.
- 1.5 Subject to the terms and provisions of this Agreement, the applicable Rate Schedule, and the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall transport on the Path and deliver an equivalent quantity of gas, as set forth in the applicable Rate Schedule, to Acquiring Shipper at the Delivery Point(s). Transporter's obligation to transport gas under this Agreement is limited to the MDQ in effect for each Path, and Transporter's obligation to deliver gas on a firm basis at any Delivery Point on a given day is limited to the applicable MDDQ, as set out on the Addendum in effect on that day.

## ARTICLE II

### CONDITIONS OF SERVICE

- 2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with, and subject to the terms of the Addendum attached hereto, the provisions of the applicable Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in the applicable Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 318** Substitute Original Sheet No. 318 : Effective  
Superseding: Original Sheet No. 318

- 2.2 Transporter shall have the right to discontinue service under this Agreement in accordance with Section 14.4 of the General Terms and Conditions contained in Transporter's FERC Gas Tariff.
- 2.3 The Parties agree that neither party shall be liable to the other party for loss of profits or business interruptions arising out of or in any manner related to this Agreement.
- 2.4 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations and to Transporter's FERC Gas Tariff. Upon termination of this Agreement, Transporter and Acquiring Shipper shall be relieved of any further obligation to the other Party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations (including indemnities) accruing prior to the date of termination.

ARTICLE III

NOTICES

- 3.1 Notices hereunder shall be given pursuant to the General Terms and Conditions of Transporter's FERC Gas Tariff to the respective Party at the applicable address, telephone number or facsimile machine numbers as the Parties shall respectively hereafter designate in writing from time to time:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 319** Substitute Original Sheet No. 319 : Effective  
Superseding: Original Sheet No. 319

ACQUIRING SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Acquiring Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Acquiring Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Acquiring Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE IV

TERM

4.1 Subject to the provisions hereof, this Agreement shall become effective \_\_\_\_\_, 19\_\_ and shall be in force and effect until \_\_\_\_\_, 19\_\_.

ARTICLE V

BILLINGS AND PAYMENTS

5.1 Acquiring Shipper shall pay Transporter monthly for the transportation services rendered hereunder the Reservation Charge specified in the Addendum attached hereto and all other charges and penalties as specified or assessed under Rate Schedule FT-1 (MP), FT-2 (MP) or FT-3 (MP), and the General Terms and Conditions of Transporter's FERC Gas Tariff.



- 5.2 Acquiring Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1 (MP), FT-2 (MP) and FT-3 (MP), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those Rate Schedules. Transporter agrees that Acquiring Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VI

MISCELLANEOUS

- 6.1 This Agreement constitutes the entire Agreement between the Parties and no waiver by either Party of any default under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.
- 6.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 6.3 Except for the Addendum generated by Acquiring Shipper's successful bids for released capacity, no modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the Parties.
- 6.4 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated.
- Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.5 Any person which shall succeed by purchase, merger, or consolidation to the assets, substantially as an entirety, of Shipper or to Transporter's MP Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.
- 6.6 Each Addendum and Exhibit "A" attached to this Agreement constitute part of this Agreement and are incorporated herein.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 321** Original Sheet No. 321 : Effective

6.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by the Parties' respective duly authorized officers.

(Acquiring Shipper)

(Transporter)

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 322** Original Sheet No. 322 : Effective

Offer No.: \_\_\_\_\_  
Addendum No.: \_\_\_\_\_  
Temporary Capacity Release Service  
Agreement No.: \_\_\_\_\_

Addendum No. \_\_\_\_\_  
Capacity Release  
Rate Schedule FT-\_\_\_ (MP)

Acquiring Shipper: \_\_\_\_\_

Releasing Shipper: \_\_\_\_\_

Releasing Shipper's Contract No.: \_\_\_\_\_

Effective Date of Release: \_\_\_\_\_ through \_\_\_\_\_

Is this capacity subject to right of recall? YES \_\_\_\_\_ NO \_\_\_\_\_  
Recall Conditions (if applicable):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rates - Check all that apply:

Monthly reservation charge \_\_\_\_\_  
Volumetric reservation charge \_\_\_\_\_  
Volume commitment \_\_\_\_\_  
Reservation charge prorated for days of recall \_\_\_\_\_

Reservation Charge (inclusive of reservation surcharge) \$ \_\_\_\_\_

Maximum Daily Quantity in Dth per Path: Path 1 - \_\_\_\_\_  
Path 2 - \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

Original Sheet No. 323 Original Sheet No. 323 : Effective

TEMPORARY RELEASE OF FIRM TRANSPORTATION  
 CAPACITY SERVICE AGREEMENT  
 (Transporter's MP Facility)

Addendum No. \_\_\_\_\_  
 Capacity Release  
 Rate Schedule FT-\_\_\_\_\_ (MP)

Exhibit "A"

PRIMARY DELIVERY	MAXIMUM DAILY DELIVERY QUANTITY Dth/d	DELIVERY PERIOD DATES (Start/End) 1	PATH MAXIMUM DAILY QUANTITY Dth/d	PRIMARY RECEIPT POINT	MAXIMUM DAILY RECEIPT QUANTITY Dth/d	MAXIMUM RECEIPT POINT PRESSURE psig	POINT
Path1	_____	_____	_____	_____	_____	_____	_____
Path2	_____	_____	_____	_____	_____	_____	_____

This Addendum, entered into pursuant to Transporter's capacity release program and the executed Temporary Release of Firm Transportation Capacity Service Agreement between Transporter and the Acquiring Shipper, is made a part of and subject to the aforementioned Temporary Release of Firm Transportation Capacity Service Agreement.

1 Applicable to Rate Schedule FT-2(MP) only.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 324 Through 326** Original Sheets No. 324 Through 326 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

Original Sheet No. 327 Original Sheet No. 327 : Effective

TEMPORARY RELEASE OF FIRM TRANSPORTATION  
CAPACITY SERVICE AGREEMENT  
(Transporter's DI Facility)

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Acquiring Shipper". Transporter and Acquiring Shipper shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Transporter provides firm transportation services to Shippers under Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and Transporter's Rate Schedule FT-1 (DI) of its FERC Gas Tariff or Rate Schedule FT-2 (DI) of its FERC Gas Tariff; and,

WHEREAS, Shippers have the right to offer their firm transportation capacity under Rate Schedules FT-1 (DI) and FT-2 (DI) for release to other parties on a temporary basis pursuant to Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff; and,

WHEREAS, Acquiring Shipper will be bidding on offers of released transportation capacity, and to the extent Acquiring Shipper is successful in its bid(s), Transporter is willing to provide firm transportation service to Acquiring Shipper pursuant to the provisions of Rate Schedule FT-1 (DI), Subpart G of Part 284 of the Commission's Regulations and this Agreement or Rate Schedule FT-2 (DI) and this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE I

SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 6.3 of the applicable Rate Schedule are met in order for Acquiring Shipper to be prequalified for capacity releases and this Agreement is effective, Acquiring Shipper may bid from time to time on proposed capacity releases under Rate Schedules FT-1 (DI) and FT-2 (DI) pursuant to the procedures set forth in Section 19 of Transporter's General Terms and Conditions. If at any time a bid submitted by Acquiring Shipper is deemed to be the best bid by Transporter with respect to a given offer to release firm transportation capacity, Transporter will promptly finalize the appropriate Addendum to this Agreement, in the format attached hereto. Upon finalization of such Addendum, Acquiring Shipper and Transporter agree that Acquiring Shipper shall be considered for all purposes as a Shipper with respect to the released service.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 328** Substitute Original Sheet No. 328 : Effective  
Superseding: Original Sheet No. 328

- 1.2 Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of the applicable Rate Schedule, Transporter agrees to provide the released firm transportation service for Acquiring Shipper under Rate Schedule FT-1 (DI) or FT-2 (DI), the General Terms and Conditions incorporated therein and this Agreement.
- 1.3 Acquiring Shipper hereby agrees to promptly provide any information necessary for Transporter to reevaluate Acquiring Shipper's credit appraisal under Section 6.3 of the applicable Rate Schedule and to advise Transporter of any material change in the information previously provided by the Acquiring Shipper to Transporter.
- 1.4 Subject to the terms and provisions of this Agreement, the applicable Rate Schedule, and the General Terms and Conditions of Transporter's FERC Gas Tariff, Acquiring Shipper agrees to deliver, or cause to be delivered, to Transporter at the Primary Receipt Point(s) described in the Addendum and Exhibit "A" to this Agreement, and Transporter agrees to accept at such Point(s) for transportation under this Agreement, a quantity of gas on any day on a firm basis limited to the Receipt Point(s) and MDRQ(s) set out on the Addendum in effect on that day.
- 1.5 Subject to the terms and provisions of this Agreement, the applicable Rate Schedule, and the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall transport on the Path and deliver an equivalent quantity of gas, as set forth in the applicable Rate Schedule, to Acquiring Shipper at the Delivery Point(s). Transporter's obligation to transport gas under this Agreement is limited to the MDQ in effect for each Path, and Transporter's obligation to deliver gas on a firm basis at any Delivery Point on a given day is limited to the applicable MDDQ, as set out in the Addendum in effect on that day.

## ARTICLE II

### CONDITIONS OF SERVICE

- 2.1 It is recognized that the transportation service hereunder is provided on a firm basis pursuant to, in accordance with, and subject to the terms of the Addendum attached hereto, the provisions of the applicable Rate Schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, as in effect from time to time, and which are hereby incorporated by reference. Any limitation of transportation service hereunder shall be in accordance with the priorities set out in the applicable Rate Schedule, and the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 329** Substitute Original Sheet No. 329 : Effective  
Superseding: Original Sheet No. 329

- 2.2 Transporter shall have the right to discontinue service under this Agreement in accordance with Section 14.4 of the General Terms and Conditions contained in Transporter's FERC Gas Tariff.
- 2.3 The Parties agree that neither party shall be liable to the other party for loss of profits or business interruptions arising out of or in any manner related to this Agreement.
- 2.4 This Agreement is subject to the provisions of Subpart G of Part 284 of the Commission's Regulations and to Transporter's FERC Gas Tariff. Upon termination of this Agreement, Transporter and Acquiring Shipper shall be relieved of any further obligation to the other Party except to complete the transportation of gas underway on the day of termination, to comply with the provisions of the General Terms and Conditions of Transporter's FERC Gas Tariff with respect to any imbalances accrued prior to termination of this Agreement, to render reports, and to make payment for all obligations (including indemnities) accruing prior to the date of termination.

ARTICLE III

NOTICES

- 3.1 Notices hereunder shall be given pursuant to the General Terms and Conditions of Transporter's FERC Gas Tariff to the respective Party at the applicable address, telephone number or facsimile machine numbers as the Parties shall respectively hereafter designate in writing from time to time:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 330** Substitute Original Sheet No. 330 : Effective  
Superseding: Original Sheet No. 330

ACQUIRING SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Acquiring Shipper shall provide Transporter in writing prior to the initiation of service under this Agreement the names of three persons authorized by Acquiring Shipper to conduct daily operations under this Agreement in priority order of contact with appropriate telephone and facsimile numbers. Acquiring Shipper shall amend this listing in writing when there is any change of authorized persons.

ARTICLE IV

TERM

4.1 Subject to the provisions hereof, this Agreement shall become effective \_\_\_\_\_, 19\_\_ and shall be in force and effect until \_\_\_\_\_, 19\_\_.

ARTICLE V

BILLINGS AND PAYMENTS

5.1 Acquiring Shipper shall pay Transporter monthly for the transportation services rendered hereunder the Reservation Charge specified in the Addendum attached hereto and all other charges and penalties as specified or assessed under Rate Schedule FT-1 (DI) or FT-2 (DI), and the General Terms and Conditions of Transporter's FERC Gas Tariff.

- 5.2 Acquiring Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1 (DI) and FT-2 (DI), (b) the Rate Schedule pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those Rate Schedules. Transporter agrees that Acquiring Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VI

MISCELLANEOUS

- 6.1 This Agreement constitutes the entire Agreement between the Parties and no waiver by either Party of any default under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.
- 6.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 6.3 Except for the Addendum generated by Acquiring Shipper's successful bids for released capacity, no modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the Parties.
- 6.4 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated.
- Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.5 Any person which shall succeed by purchase, merger, or consolidation to the assets, substantially as an entirety, of Shipper or to Transporter's DI Facility, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.
- 6.6 Each Addendum and Exhibit "A" attached to this Agreement constitute part of this Agreement and are incorporated herein.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 332** Original Sheet No. 332 : Effective

6.7 This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by the Parties' respective duly authorized officers.

(Acquiring Shipper)

(Transporter)

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 333** Original Sheet No. 333 : Effective

Offer No.: \_\_\_\_\_  
Addendum No.: \_\_\_\_\_  
Temporary Capacity Release Service  
Agreement No.: \_\_\_\_\_

Addendum No. \_\_\_\_\_  
Capacity Release  
Rate Schedule FT-\_\_\_ (DI)

Acquiring Shipper: \_\_\_\_\_

Releasing Shipper: \_\_\_\_\_

Releasing Shipper's Contract No.: \_\_\_\_\_

Effective Date of Release: \_\_\_\_\_ through \_\_\_\_\_

Is this capacity subject to right of recall? YES \_\_\_\_\_ NO \_\_\_\_\_  
Recall Conditions (if applicable):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rates - Check all that apply:

Monthly reservation charge \_\_\_\_\_  
Volumetric reservation charge \_\_\_\_\_  
Volume commitment \_\_\_\_\_  
Reservation charge prorated for days of recall \_\_\_\_\_

Reservation Charge (inclusive of reservation surcharge) \$ \_\_\_\_\_

Maximum Daily Quantity in Dth per Path: Path 1 - \_\_\_\_\_  
Path 2 - \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
 FERC Docket: CP97-300-002

Original Sheet No. 334 Original Sheet No. 334 : Effective

TEMPORARY RELEASE OF FIRM TRANSPORTATION  
 CAPACITY SERVICE AGREEMENT  
 (Transporter's DI Facility)

Addendum No. \_\_\_\_\_  
 Capacity Release  
 Rate Schedule FT-\_\_\_ (DI)

Exhibit "A"

PRIMARY DELIVERY POINT	MAXIMUM PERIOD DATES (Start/End) <sup>1</sup>	DELIVERY QUANTITY Dth/d	PATH	MAXIMUM RECEIPT DAILY POINT QUANTITY Dth/d	PRIMARY RECEIPT POINT QUANTITY Dth/d	MAXIMUM RECEIPT POINT PRESSURE
Path1	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
Path2	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

This Addendum, entered into pursuant to Transporter's capacity release program and the executed Temporary Release of Firm Transportation Capacity Service Agreement between Transporter and the Acquiring Shipper, is made a part of and subject to the aforementioned Temporary Release of Firm Transportation Capacity Service Agreement.

1 Applicable to Rate Schedule FT-2 (DI) only.

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 335 Through 337** Original Sheets No. 335 Through 337 : Effective

Reserved for Future Use

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 338** First Revised Sheet No. 338 : Effective  
Superseding: Substitute Original Sheet No. 338  
FORM OF FT-2 (MP) RESERVE COMMITMENT AGREEMENT

THIS FT-2 (MP) RESERVE COMMITMENT AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 199\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 DEDICATED LEASE(S) - shall mean Shipper's working interest in those lease(s) set forth on Exhibit "A" hereto.
- 1.2 Capitalized terms not defined herein shall have the meaning ascribed thereto in Transporter's FERC Gas Tariff.

#### ARTICLE II

##### RESERVE DEDICATION

- 2.1 Subject to the provisions of Sections 2.3, 2.4 and 2.5 of this Agreement, Shipper hereby agrees to deliver into and transport through Transporter's MP Facility all natural gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, or controlled by Shipper and produced from, the Dedicated Lease(s) for the economic life of the Dedicated Lease(s).
- 2.2 In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Dedicated Lease(s), Shipper agrees that any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto that the Dedicated Lease(s) remain dedicated for purposes of transportation through Transporter's MP Facility for the economic life of the Dedicated Lease(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Dedicated Lease(s) so assigned, to the extent that such assignee satisfies the requirements of Section 6.3 of Rate Schedule FT-2 (MP). Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 339** Substitute Original Sheet No. 339 : Effective  
Superseding: Original Sheet No. 339

2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:

- (a) The right to operate the Dedicated Lease(s) free from any control by Transporter including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any Dedicated Lease (in whole or in part);
- (b) The right to deliver production to lessors of the Dedicated Lease(s) and/or the owner(s) of overriding royalty interests therein in quantities sufficient to fulfill lease and other overriding royalty obligations from time to time, including any obligation to deliver a share of production in kind;
- (c) The right to use production for development and operations of such Dedicated Lease(s), including (but not limited to) the use of gas for fuel, drilling (including gas drilling), deepening, reworking, compressing, gas lifting, processing, treating, cycling, repressuring or other supplemental recovery operations;
- (d) To process gas for the extraction of any components other than methane contained therein, except for such methane reasonably removed in such processing; and,
- (e) The right to form or participate in the formation of any unit or units, including, but not limited to, any field-wide unit or units, and thereafter to increase or decrease the size of any unit or units so formed; provided, however, that unless otherwise provided herein, this Agreement shall apply to production from such unit or units to the extent such production may be allocated to that portion of the Dedicated Lease(s) included within such unit or units.

2.4 [Temporary Release

- (a) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Dedicated Lease(s) in excess of the capacity available on Transporter's MP Facility (i) under Shipper's existing Transportation Service Agreement(s), (ii) under Rate Schedule IT-1 (MP) and (iii) for commitment to other firm service (collectively referred to herein as "Excess Deliverability"). Excess Deliverability shall not include Shipper's production from the Dedicated Lease(s) which is transported through Transporter's MP Facility under another shipper's Transportation Service Agreement under Rate Schedules FT-1 (MP), FT-2 (MP), FT-3 (MP), or IT-1 (MP). In the event of Excess Deliverability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).



- (b) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Dedicated Lease(s) up to the MDQ for the applicable Path under Shipper's existing FT-2 (MP) Transportation Service Agreement that Transporter is unable, due to the fault of Transporter, to accept for transportation (referred to herein as "Transporter Inability"). Transporter Inability shall not include the inability or refusal of an upstream or downstream gatherer and/or transporter to accept Shipper's production from the Dedicated Lease(s). In the event of Transporter Inability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).
- (c) For purposes of Sections 2.4 and 2.5, Affected Quantities shall mean those quantities of Shipper's production from the Dedicated Lease(s) in excess of the combined quantities that Transporter could transport, on a firm or interruptible basis, for Shipper on Transporter's MP Facility. The Affected Quantities shall be deemed to be the last quantities produced, so that any release under Section 2.4 or 2.5 is applicable only to the daily production quantity in excess of the quantity that Transporter is able to accept into Transporter's MP Facility on a given day.
- (d) Shipper and Transporter shall discuss the cause and anticipated duration of any Transporter Inability or Excess Deliverability. Shipper will limit any commitment it makes to third parties to deliver the Affected Quantities released under this Section 2.4 for a period to coincide with the anticipated duration of the Transporter Inability or Excess Deliverability; provided that in no event will the Affected Quantities be returned for transportation under a FT-1 (MP), FT-2 (MP), FT-3 (MP), or IT-1 (MP) Transportation Service Agreement later than the first day of the calendar month following sixty (60) days after receipt by Shipper of Transporter's notice that it is able to accept all quantities of Shipper's production from the Dedicated Lease(s) tendered by Shipper.]

or

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 341** Substitute Original Sheet No. 341 : Effective

Superseding: Original Sheet No. 341

2.4 [Temporary Release

If, for any reason, Transporter fails to receive quantities of Shipper's production from the Dedicated Lease(s) at a flow rate equal to Shipper's MDQ for all Paths under the applicable Transportation Service Agreement(s), such quantities not received shall, upon prior written notice by Shipper, be temporarily released on a month to month basis, until Transporter fully remedies such failure and can receive quantities of Shipper's production from the Dedicated Lease(s) at a flow rate equal to Shipper's MDQ for all such Paths. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas temporarily released pursuant to this Section 2.4 shall be considered to be produced immediately after any gas permanently released pursuant to Section 2.5.]

2.5 [Permanent Release

In the event of:

- (1) Excess Deliverability under Subsection 2.4(a) for more than 180 consecutive days; or,
- (2) Transporter Inability under Subsection 2.4(b) for more than ninety (90) days during any rolling twelve month period or for more than sixty (60) consecutive days, Shipper may request in writing from Transporter a prospective permanent release of the Affected Quantities from the obligations under Section 2.1. Transporter shall have six (6) months from the date of receipt of Shipper's release request to commence action and proceed with reasonable commercial efforts, including without limitation the installation of facilities, to enable Transporter to receive the Affected Quantities from Shipper. To that end, within three (3) months following Shipper's release request, Transporter shall review with Shipper the steps or actions Transporter is taking, or proposes to take, to enable Transporter to receive the Affected Quantities from Shipper. If at the end of said six (6) month period or any time thereafter, Transporter has not commenced action and/or proceeded with reasonable commercial efforts to take action to receive the Affected Quantities from Shipper, Shipper may notify Transporter in writing of Shipper's election to implement the permanent release of the obligations under Section 2.1 with respect to the Affected Quantities. In such event, Transporter will release the Affected Quantities from the obligations under Section 2.1.]

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 342** First Revised Sheet No. 342 : Effective  
Superseding: Original Sheet No. 342

or [if the second alternative of Section 2.4 is used, the  
second alternative of Section 2.5 must be used]

## 2.5 [Permanent Release

In the event, and to the extent that quantities of Shipper's production from the Dedicated Lease(s) fails, for reasons other than force majeure, to flow into Transporter's MP Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) over any period of sixty (60) consecutive days, then upon prior written notice from Shipper to Transporter, and if such failure is insufficient capacity on Transporter's MP Facility, Transporter shall prepare and submit to Shipper, within thirty (30) days of receipt of Shipper's written notice, a plan ("Capacity Plan") to restore such capacity. If Shipper accepts such Capacity Plan, Transporter shall promptly commence to perform such work as is required to carry out the Capacity Plan with reasonable dispatch, subject to the receipt of necessary regulatory approvals. If Shipper rejects such Capacity Plan, Shipper will propose an alternative Capacity Plan to Transporter for consideration and response by Transporter within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan. In the event Shipper and Transporter fail to reach agreement as to a Capacity Plan within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan, then Shipper may elect at any time thereafter to have permanently released from the gas dedicated under this Agreement a daily quantity of gas equal to the largest daily quantity of Shipper's production from the Dedicated Lease(s) which Shipper duly tendered, according to gas deliverability tests, and which failed to flow into Transporter's MP Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) during the foregoing sixty (60) consecutive day period. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas permanently released pursuant to this Section 2.5 shall be considered to be the first gas produced on any day.]

## ARTICLE III

### TRANSPORTATION

- 3.1 Shipper may request that its production from the Dedicated Lease(s) be transported under Rate Schedules FT-1 (MP), FT-2 (MP) or IT-1 (MP), in accordance with the provisions of the applicable Rate Schedule.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 343** Substitute Original Sheet No. 343 : Effective  
Superseding: Original Sheet No. 343

- 3.2 Transporter agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Transporter's obligation to transport Shipper's production from the Dedicated Lease(s) is limited to the Maximum Daily Quantity for each Path provided under Shipper's FT-2 (MP) Transportation Service Agreement, including any reduction of the Maximum Daily Quantity by Shipper as provided in the FT-2 (MP) Rate Schedule; Transporter makes no representation that it has or will have capacity to transport Shipper's production from the Dedicated Lease(s) in excess of such Maximum Daily Quantity. In the event of insufficient capacity, Shipper's sole and exclusive remedy shall be as specified in Sections 2.4 and 2.5 above.
- 3.3 Transporter shall have no obligation to build or install new facilities to provide transportation service for production from Dedicated Lease(s).

ARTICLE IV

REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V

TERM

This Agreement shall be effective \_\_\_\_\_, 19\_\_\_\_, and shall remain in force and effect for the economic life of the Dedicated Lease(s).

ARTICLE VI

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 344** Original Sheet No. 344 : Effective

SHIPPER:

NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII

MISCELLANEOUS

- 7.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 7.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper) (Transporter)  
BY: \_\_\_\_\_ BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 345** Original Sheet No. 345 : Effective

FORM OF FT-2 (MP) RESERVE COMMITMENT AGREEMENT

Exhibit "A"

TO FT-2 (MP) RESERVE COMMITMENT AGREEMENT

DATED \_\_\_\_\_, 19\_\_\_\_  
Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE      SHIPPER'S WORKING INTEREST      ASSOCIATED BLOCK

\_\_\_\_\_

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheet No. 346** Original Sheet No. 346 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 349** Substitute Original Sheet No. 349 : Effective

Superseding: Original Sheet No. 349

FORM OF FT-3 (MP) RESERVE COMMITMENT AGREEMENT

THIS FT-3 (MP) RESERVE COMMITMENT AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 DEDICATED LEASE(S) - shall mean Shipper's working interest in those lease(s) dedicated for gathering on the Main Pass Gas Gathering System under that Firm Gas Gathering Agreement dated \_\_\_\_\_, which lease(s) are set forth on Exhibit "A" hereto. Dedicated Lease(s) shall also include any additional lease(s) dedicated by Shipper to said gathering agreement(s) after the date of this Agreement; such additional lease(s) shall become Dedicated Lease(s) hereunder without the necessity of amending Exhibit "A" hereto.
- 1.2 Capitalized terms not defined herein shall have the meaning ascribed thereto in Transporter's FERC Gas Tariff.

#### ARTICLE II

##### RESERVE DEDICATION

- 2.1 Subject to the provisions of Sections 2.3, 2.4 and 2.5 of this Agreement, Shipper hereby agrees to deliver into and transport through Transporter's MP Facility, for the economic life of the Dedicated Lease(s), all MPS Excess Quantity (as defined in Rate Schedule FT-3 (MP) of Transporter's FERC Gas Tariff).
- 2.2 In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Dedicated Lease(s), Shipper agrees that any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto that the Dedicated Lease(s) remain dedicated as MPS Excess Quantity for purposes of transportation through Transporter's MP Facility for the economic life of the Dedicated Lease(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights



Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 350** First Revised Sheet No. 350 : Effective  
Superseding: Substitute Original Sheet No. 350

and obligations hereunder with respect to the Dedicated Lease(s) so assigned, to the extent that such assignee satisfies the requirements of Section 6.3 of Rate Schedule FT-3 (MP). Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.

- 2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:
- (a) The right to operate the Dedicated Lease(s) free from any control by Transporter including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any Dedicated Lease (in whole or in part);
  - (b) The right to deliver production to lessors of the Dedicated Lease(s) and/or the owner(s) of overriding royalty interests therein in quantities sufficient to fulfill lease and other overriding royalty obligations from time to time, including any obligation to deliver a share of production in kind;
  - (c) The right to use production for development and operations of such Dedicated Lease(s), including (but not limited to) the use of gas for fuel, drilling (including gas drilling), deepening, reworking, compressing, gas lifting, processing, treating, cycling, repressuring or other supplemental recovery operations;
  - (d) To process gas for the extraction of any components other than methane contained therein, except for such methane reasonably removed in such processing; and,
  - (e) The right to form or participate in the formation of any unit or units, including, but not limited to, any field-wide unit or units, and thereafter to increase or decrease the size of any unit or units so formed; provided, however, that unless otherwise provided herein, this Agreement shall apply to production from such unit or units to the extent such production may be allocated to that portion of the Dedicated Lease(s) included within such unit or units.

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Original Sheet No. 350A** Original Sheet No. 350A : Effective

2.4 [Temporary Release

- (a) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's MPS Excess Quantity in excess of the capacity available on Transporter's MP Facility (i) under Shipper's existing Transportation Service Agreement(s), (ii) under Rate Schedule IT-1 (MP) and (iii) for commitment to other firm service (collectively referred to herein as "Excess Deliverability"). Excess Deliverability shall not include Shipper's MPS Excess Quantity which is transported through Transporter's MP Facility under another shipper's Transportation Service Agreement under Rate Schedules FT-1 (MP), FT-2 (MP), FT-3 (MP), or IT-1 (MP). In the event of Excess Deliverability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 351** Substitute Original Sheet No. 351 : Effective  
Superseding: Original Sheet No. 351

- (b) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's MPS Excess Quantity up to the MDQ for the applicable Path under Shipper's existing FT-3 (MP) Transportation Service Agreement that Transporter is unable, due to the fault of Transporter, to accept for transportation (referred to herein as "Transporter Inability"). Transporter Inability shall not include the inability or refusal of an upstream or downstream gatherer and/or transporter to accept Shipper's MPS Excess Quantity. In the event of Transporter Inability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).
- (c) For purposes of Sections 2.4 and 2.5, Affected Quantities shall mean those quantities of Shipper's MPS Excess Quantity in excess of the combined quantities that Transporter could transport, on a firm or interruptible basis, for Shipper on Transporter's MP Facility. The Affected Quantities shall be deemed to be the last quantities produced, so that any release under Section 2.4 or 2.5 is applicable only to the daily MPS Excess Quantity in excess of the quantity that Transporter is able to accept into Transporter's MP Facility on a given day.
- (d) Shipper and Transporter shall discuss the cause and anticipated duration of any Transporter Inability or Excess Deliverability. Shipper will limit any commitment it makes to third parties to deliver the Affected Quantities released under this Section 2.4 for a period to coincide with the anticipated duration of the Transporter Inability or Excess Deliverability; provided that in no event will the Affected Quantities be returned for transportation under a FT-1 (MP), FT-2 (MP), FT-3 (MP), or IT-1 (MP) Transportation Service Agreement later than the first day of the calendar month following sixty (60) days after receipt by Shipper of Transporter's notice that it is able to accept all MPS Excess Quantity tendered by Shipper.]

or

2.4 [Temporary Release

If, for any reason, Transporter fails to receive MPS Excess Quantity at a flow rate equal to Shipper's MDQ for all Paths under the applicable Transportation Service Agreement(s), the MPS Excess Quantity not received shall, upon prior written notice by Shipper, be temporarily released on

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 352** Substitute Original Sheet No. 352 : Effective  
Superseding: Original Sheet No. 352

a month to month basis, until Transporter fully remedies such failure and can receive MPS Excess Quantity at a flow rate equal to Shipper's MDQ for all such Paths. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas temporarily released pursuant to this Section 2.4 shall be considered to be produced immediately after any gas permanently released pursuant to Section 2.5.]

2.5 [Permanent Release

In the event of:

- (1) Excess Deliverability under Subsection 2.4(a) for more than 180 consecutive days; or,
- (2) Transporter Inability under Subsection 2.4(b) for more than ninety (90) days during any rolling twelve month period or for more than sixty (60) consecutive days, Shipper may request in writing from Transporter a prospective permanent release of the Affected Quantities from the obligations under Section 2.1. Transporter shall have six (6) months from the date of receipt of Shipper's release request to commence action and proceed with reasonable commercial efforts, including without limitation the installation of facilities, to enable Transporter to receive the Affected Quantities from Shipper. To that end, within three (3) months following Shipper's release request, Transporter shall review with Shipper the steps or actions Transporter is taking, or proposes to take, to enable Transporter to receive the Affected Quantities from Shipper. If at the end of said six (6) month period or any time thereafter, Transporter has not commenced action and/or proceeded with reasonable commercial efforts to take action to receive the Affected Quantities from Shipper, Shipper may notify Transporter in writing of Shipper's election to implement the permanent release of the obligations under Section 2.1 with respect to the Affected Quantities. In such event, Transporter will release the Affected Quantities from the obligations under Section 2.1.]

or [if the second alternative of Section 2.4 is used, the second alternative of Section 2.5 must be used]

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 353** First Revised Sheet No. 353 : Effective  
Superseding: Substitute Original Sheet No. 353  
2.5 [Permanent Release

In the event, and to the extent that MPS Excess Quantity fails, for reasons other than force majeure, to flow into Transporter's MP Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) over any period of sixty (60) consecutive days, then upon prior written notice from Shipper to Transporter, and if such failure is insufficient capacity on Transporter's MP Facility, Transporter shall prepare and submit to Shipper, within thirty (30) days of receipt of Shipper's written notice, a plan ("Capacity Plan") to restore such capacity. If Shipper accepts such Capacity Plan, Transporter shall promptly commence to perform such work as is required to carry out the Capacity Plan with reasonable dispatch, subject to the receipt of necessary regulatory approvals. If Shipper rejects such Capacity Plan, Shipper will propose an alternative Capacity Plan to Transporter for consideration and response by Transporter within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan. In the event Shipper and Transporter fail to reach agreement as to a Capacity Plan within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan, then Shipper may elect at any time thereafter to have permanently released from the MPS Excess Quantity a daily quantity of gas equal to the largest daily quantity of MPS Excess Quantity which Shipper duly tendered, according to gas deliverability tests, and which failed to flow into Transporter's MP Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) during the foregoing sixty (60) consecutive day period. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas permanently released pursuant to this Section 2.5 shall be considered to be the first gas produced on any day.]

### ARTICLE III

#### TRANSPORTATION

- 3.1 Shipper may request that its MPS Excess Quantity be transported under Rate Schedules FT-1 (MP), FT-3 (MP) or IT-1 (MP), in accordance with the provisions of the applicable Rate Schedule.
- 3.2 Transporter agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Transporter's obligation to transport Shipper's MPS Excess Quantity is limited to the Maximum Daily Quantity for each Path provided under Shipper's FT-3 (MP) Transportation Service Agreement, including any reduction of the Maximum Daily Quantity by Shipper as provided in the FT-3 (MP) Rate Schedule; Transporter makes no representation that it has or will have capacity to transport Shipper's MPS Excess Quantity in excess of such Maximum Daily Quantity. In the event of insufficient capacity, Shipper's sole and exclusive remedy shall be as specified in Sections 2.4 and 2.5 above.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 354** Original Sheet No. 354 : Effective

3.3 Transporter shall have no obligation to build or install new facilities to provide transportation service for Shipper's MPS Excess Quantity.

ARTICLE IV

REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V

TERM

This Agreement shall be effective \_\_\_\_\_, 19\_\_\_\_, and shall remain in force and effect for the economic life of the Dedicated Lease(s).

ARTICLE VI

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 355** Original Sheet No. 355 : Effective

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII

MISCELLANEOUS

- 7.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 7.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)	(Transporter)
BY: _____	BY: _____
TITLE: _____	TITLE: _____

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 356** Original Sheet No. 356 : Effective

FORM OF FT-3 (MP) RESERVE COMMITMENT AGREEMENT

Exhibit "A"

TO FT-3 (MP) RESERVE COMMITMENT AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE      SHIPPER'S WORKING INTEREST      ASSOCIATED BLOCK

\_\_\_\_\_



*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 357 Through 359** Original Sheets No. 357 Through 359 : Effective

Reserved for Future Use

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 360** First Revised Sheet No. 360 : Effective  
Superseding: Substitute Original Sheet No. 360  
FORM OF FT-2 (DI) RESERVE COMMITMENT AGREEMENT

THIS FT-2 (DI) RESERVE COMMITMENT AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 199\_\_, by and between Dauphin Island Gathering Partners, a Texas general partnership, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

#### ARTICLE I

##### DEFINITIONS

- 1.1 DEDICATED LEASE(S) - shall mean Shipper's working interest in those lease(s) set forth on Exhibit "A" hereto.
- 1.2 Capitalized terms not defined herein shall have the meaning ascribed thereto in Transporter's FERC Gas Tariff.

#### ARTICLE II

##### RESERVE DEDICATION

- 2.1 Subject to the provisions of Sections 2.3, 2.4 and 2.5 of this Agreement, Shipper hereby agrees to deliver into and transport through Transporter's DI Facility all natural gas produced by or for the account of Shipper from, and attributable to Shipper's working interest in, or controlled by Shipper and produced from, the Dedicated Lease(s) for the economic life of the Dedicated Lease(s).
- 2.2 In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Dedicated Lease(s), Shipper agrees that any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto that the Dedicated Lease(s) remain dedicated for purposes of transportation through Transporter's DI Facility for the economic life of the Dedicated Lease(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Dedicated Lease(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Dedicated Lease(s) so assigned, to the extent that such assignee satisfies the requirements of Section 6.3 of Rate Schedule FT-2 (DI). Upon such assignment, Shipper shall be relieved of its obligations accruing on or after the effective date of the assignment to the extent, and only to the extent, such obligations are so assigned to the assignee.
- 2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 361** Substitute Original Sheet No. 361 : Effective  
Superseding: Original Sheet No. 361

- (a) The right to operate the Dedicated Lease(s) free from any control by Transporter including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any Dedicated Lease (in whole or in part);
- (b) The right to deliver production to lessors of the Dedicated Lease(s) and/or the owner(s) of overriding royalty interests therein in quantities sufficient to fulfill lease and other overriding royalty obligations from time to time, including any obligation to deliver a share of production in kind;
- (c) The right to use production for development and operations of such Dedicated Lease(s), including (but not limited to) the use of gas for fuel, drilling (including gas drilling), deepening, reworking, compressing, gas lifting, processing, treating, cycling, repressuring or other supplemental recovery operations;
- (d) To process gas for the extraction of any components other than methane contained therein, except for such methane reasonably removed in such processing; and,
- (e) The right to form or participate in the formation of any unit or units, including, but not limited to, any field-wide unit or units, and thereafter to increase or decrease the size of any unit or units so formed; provided, however, that unless otherwise provided herein, this Agreement shall apply to production from such unit or units to the extent such production may be allocated to that portion of the Dedicated Lease(s) included within such unit or units.

#### 2.4 [Temporary Release

- (a) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Dedicated Lease(s) in excess of the capacity available on Transporter's DI Facility (i) under Shipper's existing Transportation Service Agreement(s), (ii) under Rate Schedule IT-1 (DI) and (iii) for commitment to other firm service (collectively referred to herein as "Excess Deliverability"). Excess Deliverability shall not include Shipper's production from the Dedicated Lease(s) which is transported through Transporter's DI Facility under another shipper's Transportation Service Agreement under Rate Schedules FT-1 (DI), FT-2 (DI) or IT-1 (DI). In the event of Excess Deliverability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).
- (b) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Dedicated Lease(s) up to the MDQ for the applicable Path under Shipper's existing FT-2 (DI) Transportation Service Agreement that Transporter is unable, due to the fault of Transporter, to accept for transportation (referred to herein as "Transporter Inability"). Transporter Inability shall not include the inability or refusal



Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 362** Substitute Original Sheet No. 362 : Effective  
Superseding: Original Sheet No. 362

of an upstream or downstream gatherer and/or transporter to accept Shipper's production from the Dedicated Lease(s). In the event of Transporter Inability, Shipper shall be released from its obligations under Section 2.1 with respect to the Affected Quantities pursuant to the provisions of Subsection 2.4(d).

- (c) For purposes of Sections 2.4 and 2.5, Affected Quantities shall mean those quantities of Shipper's production from the Dedicated Lease(s) in excess of the combined quantities that Transporter could transport, on a firm or interruptible basis, for Shipper on Transporter's DI Facility. The Affected Quantities shall be deemed to be the last quantities produced, so that any release under Section 2.4 or 2.5 is applicable only to the daily production quantity in excess of the quantity that Transporter is able to accept into Transporter's DI Facility on a given day.
- (d) Shipper and Transporter shall discuss the cause and anticipated duration of any Transporter Inability or Excess Deliverability. Shipper will limit any commitment it makes to third parties to deliver the Affected Quantities released under this Section 2.4 for a period to coincide with the anticipated duration of the Transporter Inability or Excess Deliverability; provided that in no event will the Affected Quantities be returned for transportation under a FT-1 (DI), FT-2 (DI) or IT-1 (DI) Transportation Service Agreement later than the first day of the calendar month following sixty (60) days after receipt by Shipper of Transporter's notice that it is able to accept all quantities of Shipper's production from the Dedicated Lease(s) tendered by Shipper.]

or

2.4 [Temporary Release

If, for any reason, Transporter fails to receive quantities of Shipper's production from the Dedicated Lease(s) at a flow rate equal to Shipper's MDQ for all Paths under the applicable Transportation Service Agreement(s), such quantities not received shall, upon prior written notice by Shipper, be temporarily released on a month to month basis, until Transporter fully remedies such failure and can receive quantities of Shipper's production from the Dedicated Lease(s) at a flow rate equal to Shipper's MDQ for all such Paths. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas temporarily released pursuant to this Section 2.4 shall be considered to be produced immediately after any gas permanently released pursuant to Section 2.5.]

Effective Date: 12/23/1997 Status: Effective

FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 363** Substitute Original Sheet No. 363 : Effective

Superseding: Original Sheet No. 363

2.5 [Permanent Release

In the event of:

- (1) Excess Deliverability under Subsection 2.4(a) for more than 180 consecutive days; or,
- (2) Transporter Inability under Subsection 2.4(b) for more than ninety (90) days during any rolling twelve month period or for more than sixty (60) consecutive days, Shipper may request in writing from Transporter a prospective permanent release of the Affected Quantities from the obligations under Section 2.1. Transporter shall have six (6) months from the date of receipt of Shipper's release request to commence action and proceed with reasonable commercial efforts, including without limitation the installation of facilities, to enable Transporter to receive the Affected Quantities from Shipper. To that end, within three (3) months following Shipper's release request, Transporter shall review with Shipper the steps or actions Transporter is taking, or proposes to take, to enable Transporter to receive the Affected Quantities from Shipper. If at the end of said six (6) month period or any time thereafter, Transporter has not commenced action and/or proceeded with reasonable commercial efforts to take action to receive the Affected Quantities from Shipper, Shipper may notify Transporter in writing of Shipper's election to implement the permanent release of the obligations under Section 2.1 with respect to the Affected Quantities. In such event, Transporter will release the Affected Quantities from the obligations under Section 2.1.]

or [if the second alternative of Section 2.4 is used, the second alternative of Section 2.5 must be used]

2.5 [Permanent Release

In the event, and to the extent that quantities of Shipper's production from the Dedicated Lease(s) fails, for reasons other than force majeure, to flow into Transporter's DI Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) over any period of sixty (60) consecutive days, then upon prior written notice from Shipper to Transporter, and if such failure is insufficient capacity on Transporter's DI Facility, Transporter shall prepare and submit to Shipper,

Effective Date: 01/10/1999 Status: Effective  
FERC Docket: RP99-181-000

**First Revised Sheet No. 364** First Revised Sheet No. 364 : Effective  
Superseding: Substitute Original Sheet No. 364

within thirty (30) days of receipt of Shipper's written notice, a plan ("Capacity Plan") to restore such capacity. If Shipper accepts such Capacity Plan, Transporter shall promptly commence to perform such work as is required to carry out the Capacity Plan with reasonable dispatch, subject to the receipt of necessary regulatory approvals. If Shipper rejects such Capacity Plan, Shipper will propose an alternative Capacity Plan to Transporter for consideration and response by Transporter within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan. In the event Shipper and Transporter fail to reach agreement as to a Capacity Plan within fifteen (15) days after Transporter receives Shipper's alternative Capacity Plan, then Shipper may elect at any time thereafter to have permanently released from the gas dedicated under this Agreement a daily quantity of gas equal to the largest daily quantity of Shipper's production from the Dedicated Lease(s) which Shipper duly tendered, according to gas deliverability tests, and which failed to flow into Transporter's DI Facility or to be delivered by Transporter to or for Shipper's account at the Delivery Point(s) during the foregoing sixty (60) consecutive day period. For allocation and scheduling purposes of gas production from the Dedicated Lease(s), all quantities of gas permanently released pursuant to this Section 2.5 shall be considered to be the first gas produced on any day.]

### ARTICLE III

#### TRANSPORTATION

- 3.1 Shipper may request that its production from the Dedicated Lease(s) be transported under Rate Schedules FT-1 (DI), FT-2 (DI) or IT-1 (DI), in accordance with the provisions of the applicable Rate Schedule.
- 3.2 Transporter agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Transporter's obligation to transport Shipper's production from the Dedicated Lease(s) is limited to the Maximum Daily Quantity for each Path provided under Shipper's FT-2 (DI) Transportation Service Agreement, including any reduction of the Maximum Daily Quantity by Shipper as provided in the FT-2 (DI) Rate Schedule; Transporter makes no representation that it has or will have capacity to transport Shipper's production from the Dedicated Lease(s) in excess of such Maximum Daily Quantity. In the event of insufficient capacity, Shipper's sole and exclusive remedy shall be as specified in Sections 2.4 and 2.5 above.
- 3.3 Transporter shall have no obligation to build or install new facilities to provide transportation service for production from Dedicated Lease(s).

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 365** Original Sheet No. 365 : Effective

ARTICLE IV

REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V

TERM

This Agreement shall be effective \_\_\_\_\_, 19\_\_\_\_, and shall remain in force and effect for the economic life of the Dedicated Lease(s).

ARTICLE VI

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

SHIPPER:  
NOTICES: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.



Effective Date: 12/23/1997 Status: Effective  
FERC Docket: CP97-300-002

**Original Sheet No. 366** Original Sheet No. 366 : Effective

ARTICLE VII  
MISCELLANEOUS

- 7.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 7.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

(Shipper)

(Transporter)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective

FERC Docket: CP97-300-002

**Original Sheet No. 367** Original Sheet No. 367 : Effective

FORM OF FT-2 (DI) RESERVE COMMITMENT AGREEMENT

Exhibit "A"

TO FT-2 (DI) RESERVE COMMITMENT AGREEMENT

DATED \_\_\_\_\_, 19\_\_

Between

Dauphin Island Gathering Partners

And

\_\_\_\_\_

DEDICATED LEASE      SHIPPER'S WORKING INTEREST      ASSOCIATED BLOCK

\_\_\_\_\_

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: CP97-300-002*

**Original Sheets No. 368 Through 370** Original Sheets No. 368 Through 370 : Effective

Reserved for Future Use

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 371** Substitute Original Sheet No. 371 : Effective  
Superseding: Original Sheet No. 371  
FORM OF INTERNET ACCESS AGREEMENT

(Customer Name)  
(Address)

RE: Internet Access Agreement

Dear \_\_\_\_\_:

Dauphin Island Gathering Partners ("Operator") will provide a computer system ("EBB") to facilitate access to and provide information concerning transportation services on Transporter's MP Facility and Transporter's DI Facility (as defined in the General Terms and Conditions of Operator's FERC Gas Tariff). Operator hereby agrees to provide authorized representatives of \_\_\_\_\_ (hereinafter referred to as "Customer") with USER IDs and passwords necessary to access the EBB, and in consideration therefor Customer agrees its use of the EBB shall be subject to the following terms and conditions.

1. Operator agrees to permit those employees (including officers and directors) specified by Customer to receive USER IDs and passwords for access to and information concerning capacity release. Any person permitted by Customer to access the EBB must have the legal authority to act on behalf of Customer in performing those functions listed on the EBB's menu for which he/she is authorized, including those functions which are available presently and those functions which shall become available at a later date. Customer agrees and acknowledges that Operator shall be entitled to rely on Customer's representation that all persons authorized to perform a function through the EBB have been duly authorized by Customer.
2. Operator agrees that in addition to appropriately authorized employees, officers and directors, Customer may access the EBB through an agent or representative (hereinafter referred to as "Agent") as long as such Agent is appointed in writing through the agency agreement attached hereto as Exhibit "A" ("Agency Agreement"), which specifically gives the Agent the legal authority to act on behalf of Customer in performing any or all functions listed on the EBB menu, including those functions which are available presently and those functions which shall become available at a later date. Customer agrees to provide Operator with an executed copy of the Agency Agreement.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 372** Substitute Original Sheet No. 372 : Effective  
Superseding: Original Sheet No. 372

Operator agrees that Customer may cancel the Agency Agreement by notifying Operator pursuant to the procedures set out in Paragraph 6 of this letter agreement. Operator agrees further that Customer may appoint a successor Agent by providing Operator with an executed copy of such successor's Agency Agreement. Operator shall not be required, however, to give effect to any Agency Agreement until it has actually received an executed copy of such Agency Agreement in writing.

3. Customer's combined USER IDs and passwords are confidential and are used to identify Customer. Customer agrees that only authorized persons of Customer will be given Customer's USER IDs and passwords and only authorized persons will be permitted to access the EBB on Customer's behalf. Customer agrees to keep confidential all USER IDs and passwords issued by Operator to Customer for use on the EBB. Customer further agrees that Customer and its authorized persons will not disclose its USER IDs and passwords, either separately or combined, to anyone without authority to access the EBB for Customer. Any use of the EBB by any authorized person using any of Customer's USER IDs and/or passwords shall be deemed to be use by Customer and Customer agrees to be responsible for and to accept liability for any such use.
4. Certain information contained in the EBB is proprietary and confidential. Customer agrees not to disclose or otherwise make available confidential information to any other company, corporation or third party, whether such information is accessed in an authorized or unauthorized manner. This provision does not apply to any information maintained by Operator on the EBB, as such information is available to all parties.
5. Customer agrees to notify Operator if there is any indication that a security breach has occurred with regard to Customer's USER IDs and passwords. This includes, but is not limited to (i) loss of confidentiality of USER IDs and passwords; (ii) termination of employment of any authorized person; or (iii) loss of authority to access the EBB by any authorized person. Such notification shall be made to Operator immediately by telephone and shall be followed by written notification within 5 business days.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 373** Substitute Original Sheet No. 373 : Effective  
Superseding: Original Sheet No. 373

6. Customer agrees to attempt to access only that data for which Customer has authorization.
7. Operator shall operate its EBB system in a prudent manner. Except for the negligence, fraud, or willful misconduct of Operator, Operator expressly disclaims liability for loss or damage resulting from Customer's actions or breach of this Agreement, events of Force Majeure, any defects in computer software, hardware, or programming, or any interruption in or malfunction of electronic communication or transmission. Customer agrees to defend, indemnify and hold harmless Operator, its affiliates and their respective officers, directors, employees and agents, from and against all claims, demands, damages, losses, costs and expenses (including court costs and reasonable attorney's fees) and liabilities of any nature whatsoever (collectively referred to herein as "Liabilities") arising out of any breach of this Agreement by Customer or its authorized persons, or the use of the EBB or the information contained therein by Customer, so long as such Liabilities are not the direct result of the negligence, fraud, or willful misconduct of Operator. The parties hereto agree that neither party shall be liable to the other party, or its corporate parent, subsidiaries or affiliates for any special, indirect or consequential damages (including, without limitation, loss of profits or business interruptions) incurred by said party arising out of or in any manner related to this Agreement, the provision and use of the EBB system, or the information contained therein.
8. Customer understands and agrees that Operator may act, and shall be fully protected in acting, in reliance upon any acts or things done or performed by persons utilizing Customer's USER IDs and passwords on behalf of Customer (so long as Operator is not aware of a security breach), and that Operator shall be held harmless from any omission or failure by Customer to act or perform any duty required by a function accessed through the EBB.
9. A USER ID that is inactive for ninety (90) days may be suspended. If Customer's USER ID is suspended, Customer may contact Operator to have its USER ID reinstated.
10. Operator reserves the right to invalidate Customer's USER IDs and passwords at any time in the event Customer breaches any of the terms of this Agreement and such breach, in Operator's sole judgment, threatens the security or integrity of the system and Customer fails to cure the breach within twenty four (24) hours of notification from Operator.

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 374** Substitute Original Sheet No. 374 : Effective  
Superseding: Original Sheet No. 374

11. Operator reserves the right to modify or terminate the EBB system at any time so long as such modification or termination is not prohibited by the regulations of the Federal Energy Regulatory Commission. Customer shall supply any additional information required by Operator if the EBB system is modified. If Operator modifies or terminates the EBB system, Operator may invalidate Customer's USER IDs and passwords effective on the date of the modification or termination of the EBB system.
12. Subject to the provisions of Paragraph 12 herein, this Agreement shall be in effect as of the date written above and shall continue unless and until canceled by either party on ten (10) days written notice given to the other party prior to the end of any calendar month to be effective at the end of such month.
13. THE INTERPRETATION AND PERFORMANCE OF THIS LETTER AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

Please indicate your agreement with the above by signing below and returning one completely executed copy to Operator.

Yours very truly,

(Operator)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and Agreed to this \_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_.

(Customer)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 12/23/1997 Status: Effective  
FERC Docket: RP98- 17-000

**Substitute Original Sheet No. 375** Substitute Original Sheet No. 375 : Effective  
Superseding: Original Sheet No. 375  
FORM OF INTERNET ACCESS AGREEMENT

Exhibit "A"  
Agency Agreement

Dauphin Island Gathering Partners ("Operator") and \_\_\_\_\_ ("Customer") are parties to a letter agreement dated \_\_\_\_\_ ("Internet Access Agreement") which sets forth the terms and conditions for Customer's use of Operator's EBB system to receive information on Transporter's MP Facility and Transporter's DI Facility (as defined in the General Terms and Conditions of Operator's FERC Gas Tariff). This agency agreement ("Agency Agreement") shall constitute an agreement pursuant to which Customer appoints an agent and representative under the Internet Access Agreement for the purposes set forth below.

Accordingly, Customer hereby appoints \_\_\_\_\_ ("Agent") as its agent and representative to act on behalf of Customer in performing the menu functions indicated by the Customer, including those functions which shall become available at a later date. Agent agrees to be bound by the terms and conditions set forth in the Internet Access Agreement.

It is understood and agreed that Operator may act, and shall be fully protected when acting, in reliance on any acts or things done or performed by Agent on behalf of Customer and with respect to all matters for which authority is granted herein until Operator receives notice that this Agency Agreement has been canceled by either party hereto. Customer shall hold Operator harmless from any omission or failure by Agent to act or perform any of the duties herein authorized.

Please indicate agreement with the above by signing below. This Agency Agreement shall be effective as of the last date written below.

(Customer)

\_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Above Agency Accepted:

(Agent)

\_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_



*Effective Date: 12/23/1997 Status: Effective*  
*FERC Docket: CP97-300-002*

**Original Sheets No. 376 Through 398** Original Sheets No. 376 Through 398 : Effective

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 399** Substitute Original Sheet No. 399 : Effective

Superseding: Original Sheet No. 399

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 400** Substitute Original Sheet No. 400 : Effective

Superseding: Original Sheet No. 400

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 401** Substitute Original Sheet No. 401 : Effective

Superseding: Original Sheet No. 401

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 402** Substitute Original Sheet No. 402 : Effective

Superseding: Original Sheet No. 402

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 403** Substitute Original Sheet No. 403 : Effective

Superseding: Original Sheet No. 403

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 404** Substitute Original Sheet No. 404 : Effective

Superseding: Original Sheet No. 404

Reserved for Future Use

*Effective Date: 12/23/1997 Status: Effective*

*FERC Docket: RP98- 17-000*

**Substitute Original Sheet No. 405** Substitute Original Sheet No. 405 : Effective

Superseding: Original Sheet No. 405

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