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**Original Sheet No. 0** Panther Interstate Pipeline Energy, L.L.C.: Original Volume No. 1  
Original Sheet No. 0 : Effective

FERC GAS TARIFF  
ORIGINAL VOLUME NO. 1  
OF  
PANTHER INTERSTATE PIPELINE ENERGY, L.L.C.  
FILED WITH THE  
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff  
Should Be Addressed To:

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**Original Sheet No. 1** Original Sheet No. 1 : Effective

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

PRELIMINARY STATEMENT

Panther Interstate Pipeline Energy, L.L.C. ("Panther Interstate") , a Texas limited liability company, owns and operates a natural gas pipeline system under a certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission ("Commission" or "FERC"). Such pipeline system is located in the State of Texas and extends from the High Island Area, State Blocks 7, 23 and 38 and Federal Blocks 4, 11, 20, 36 and 48, Offshore Texas, to a point of interconnection with Natural Gas Pipeline Company onshore Texas in Jefferson County. This jurisdictional pipeline system interconnects with a pipeline system operated by Panther Interstate which is not subject to the Commission's jurisdiction at a subsea tap assembly in High Island Area Block 48, offshore Texas. Panther Interstate is engaged in the transportation of natural gas in interstate commerce. Panther Interstate does not own or operate any storage facilities.

The locations of Panther Interstate's transmission line and the point at which it delivers gas are shown on the System Map on the following page.

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

SYSTEM MAP

This sheet to be replaced by System Map

Effective Date: 10/05/2008 Status: Effective  
FERC Docket: RP08-609-000

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

NOTICE OF RATES  
(Rates Per Dekatherm)

| Rate Schedule             | Base Tariff Rate |
|---------------------------|------------------|
| Monthly Demand Rates      |                  |
| FT - Max _____            | \$0.8421         |
| - Min                     | \$0.0000         |
| Daily Demand Rates        |                  |
| FT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| Commodity Rates 1/ 2/ 3/  |                  |
| FT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| FT - Authorized Overrun   |                  |
| - Max                     | \$0.0277         |
| - Min                     | \$0.0000         |
| IT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| Maximum Gathering Rate 4/ | \$0.3500         |

- 1/ The maximum Volumetric Firm Rate for Capacity Release is \$0.0277.
- 2/ An ACA surcharge is added to each commodity rate to the extent provided in Section 28 of the General Terms and Conditions in this Tariff. The currently effective ACA charge is \$0.0017 per Dth.
- 3/ A Retainage Factor will be added to each Dth of gas received for transportation.
- 4/ Where applicable. Transporter may, but is not obligated to, perform additional blending services when required to gather natural gas that fails to meet the quality specifications set forth in Section 2 of the General Terms and Conditions of this FERC Gas Tariff. The rate for any such blending services shall be separately negotiated with gathering customers on a not unduly discriminatory basis.

Effective Date: 10/01/2009 Status: Pending  
FERC Docket: RP09-1016-000

**Seventh Revised Sheet No. 4** Seventh Revised Sheet No. 4  
Superseding: Sixth Revised Sheet No. 4

NOTICE OF RATES  
(Rates Per Dekatherm)

| Rate Schedule             | Base Tariff Rate |
|---------------------------|------------------|
| Monthly Demand Rates      |                  |
| FT - Max _____            | \$0.8421         |
| - Min                     | \$0.0000         |
| Daily Demand Rates        |                  |
| FT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| Commodity Rates 1/ 2/ 3/  |                  |
| FT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| FT - Authorized Overrun   |                  |
| - Max                     | \$0.0277         |
| - Min                     | \$0.0000         |
| IT - Max                  | \$0.0277         |
| - Min                     | \$0.0000         |
| Maximum Gathering Rate 4/ | \$0.3500         |

- 1/ The maximum Volumetric Firm Rate for Capacity Release is \$0.0277.
- 2/ An ACA surcharge is added to each commodity rate to the extent provided in Section 28 of the General Terms and Conditions in this Tariff. The currently effective ACA charge is \$0.0019 per Dth.
- 3/ A Retainage Factor will be added to each Dth of gas received for transportation.
- 4/ Where applicable. Transporter may, but is not obligated to, perform additional blending services when required to gather natural gas that fails to meet the quality specifications set forth in Section 2 of the General Terms and Conditions of this FERC Gas Tariff. The rate for any such blending services shall be separately negotiated with gathering customers on a not unduly discriminatory basis.



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

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on a firm basis by Panther Interstate (hereinafter called Transporter) for any Shipper that completes a valid request for service, is awarded firm capacity under Section 3 hereof and executes a Firm Transportation Agreement ("FT Agreement") consistent with this Rate Schedule FT.

2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered hereunder shall be the transportation of natural gas up to the maximum daily quantity (MDQ) set out in the FT Agreement. Such service is performed under Subparts B and G of Part 284 of the Commission's Regulations and pursuant to an FT Agreement. Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule except as provided in Section 5.2 of this Rate Schedule. Service shall be provided on a firm basis; provided, however, that scheduling of service is subject to, and service may be curtailed consistent with Section 9 of the General Terms and Conditions in this Tariff; and provided further that Shipper may nominate overrun volumes on an interruptible basis.

3. REQUESTS FOR CAPACITY; AWARD OF CAPACITY

- 3.1 Eligibility for Service: Any entity which meets the credit standards set out in the General Terms and Conditions of this Tariff may request service under this Rate Schedule FT. A request for service must comply with Section 5 of the General Terms and Conditions of this Tariff.
- 3.2 Capacity: Acceptance of a request is contingent on the availability of uncommitted system firm capacity sufficient to provide the requested firm service to Shipper.
- 3.3 Award of Capacity: Transporter may, but is not obligated to, accept any request for service at less than the applicable maximum rate. Transporter will apply objective economic analysis in awarding capacity. If several valid requests for capacity are pending which exceed the availability of uncommitted firm capacity, Transporter shall evaluate such requests based on the

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net present value of incremental revenue under the respective requests, reflecting volume, term, and the minimum rate Transporter will accept for the service. If a request is not accepted by Transporter within ten (10) days, it is deemed denied.

- 3.4 Applicability of Tariff: Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule, including the applicable General Terms and Conditions, if awarded capacity.

4. DELIVERIES AND RECEIPTS

- 4.1 Receipt Points: Primary receipt point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable interconnection(s) between Transporter's system and the connecting facilities shown on Exhibit A to the FT Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to receive gas at any receipt point where: (1) the total quantity of gas scheduled for receipt of any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary arrangements on upstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.
- 4.2 Delivery Points: Primary delivery point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable interconnection(s) between Transporter's system and the connecting facilities shown on Exhibit B to the FT Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.
- 4.3 Changing Primary Receipt and Delivery Points: Subject to the availability of firm point and segment capacity and the agreement of Transporter, Shipper may change the primary receipt or delivery points under its FT Agreement (including redistributing the MDQ among points) by an amendment of Exhibit A or B to the FT

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Agreement, as applicable. If there are other requests pending for such capacity, the award of capacity shall be consistent with Section 3 of this Rate Schedule FTS. Shipper shall lose its priority at previously designated primary receipt and delivery points to the extent that the amendment reduces the MDQ at any such point.

- 4.4 Secondary Receipt and Delivery Points: Shipper may use as a secondary receipt or delivery point any other receipt or delivery point on Transporter's system by notifying Transporter in Shipper's nomination. A Shipper may also use a primary receipt or delivery point as a secondary point to the extent that Shipper nominates quantities at the primary point in excess of the Shipper's MDQ for that primary point; provided that its total nominations under that FT Agreement are less than or equal to the MDQ under the FT Agreement. A Shipper's rights under this Rate Schedule to use a secondary receipt or delivery point shall be superior to all interruptible shippers' nominations at that point, but inferior to the rights of all shippers under FT Agreements using that point as a primary delivery or receipt point, consistent with Section 9 in the General Terms and Conditions of this Tariff. If Shipper's nominated total receipts or deliveries on any day exceed the MDQ stated in the FT Agreement (as adjusted for Retainage, if any), volumes in excess of Shipper's MDQ shall be considered overrun and, if necessary, the receipt or delivery quantities for any point shall be allocated in accordance with Section 9 of the General Terms and Conditions of this Tariff.

5. RATES AND CHARGES

- 5.1 Transportation Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate, or to a negotiated rate pursuant to Section 26 of the General Terms and Conditions, the applicable rates for service under this FT Rate Schedule are the applicable maximum Demand and Commodity Rates shown on the effective Tariff Sheet No. 4. The Monthly Bill for service under an FT Agreement shall be equal to:
- (a) Demand Charge: A demand rate determined under this Section 5.1 multiplied by the MDQ as specified in the FT Agreement;
  - (b) Commodity Charge: The applicable commodity rate(s) under this Section 5.1 multiplied by the dekatherms of natural gas transported and delivered in the Month pursuant to this Rate Schedule; and

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- (c) If applicable, any other charges pursuant to Section 5 of this Rate Schedule or the General Terms and Conditions of this Tariff.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gravimeters, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of transportation and appurtenant facilities within 30 days following completion of construction of such facilities.
- (b) Alternatively, if Transporter and Shipper mutually agree, the costs of such facilities as determined pursuant to Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

5.3 Incidental Charges: In addition to the charges pursuant to Sections 5.1 and 5.2 of this Rate Schedule, Transporter may charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees, and if applicable, sales or use tax that have not been previously paid by Shipper, which Transporter incurs in establishing or rendering service. Shipper shall also pay Transporter any applicable penalties or charges specified in the General Terms and Conditions of this Tariff.

5.4 Retainage: For all forward hauls, Transporter shall deduct from the volume tendered to Transporter by Shipper for redelivery to Natural an amount of gas sufficient to compensate Transporter for fuel gas, line loss and other utility purposes, plus other unaccounted for gas used in the operation of Transporter's

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pipeline system in connection with such transportation. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

- 5.5 Authorized Overrun Charge: If Shipper, upon receiving the advance approval of Transporter, should on any day take under this Rate Schedule a quantity of natural gas in excess of that which Shipper is authorized to take under Shipper's FT Agreement, then such quantity shall constitute an authorized overrun quantity. For all such authorized overrun volumes, Shipper shall pay Transporter a rate up to the authorized overrun rate set out at then effective Sheet No. 4.
- 5.6 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.
- 5.7 Liquids Transportation: Transporter may, but is not obligated to, transport liquids for Shipper. Any transportation of liquids on behalf of Shipper shall be pursuant to a separate agreement, which agreement shall set out the negotiated rate for such transportation.

6. GENERAL TERMS AND CONDITIONS

- 6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.
- 6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff, the provisions of the General Terms and Conditions shall govern.

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by Panther Interstate (hereinafter called Transporter) to any Shipper that makes a valid request for interruptible service and executes an Interruptible Transportation Agreement ("IT Agreement"), subject to the availability of capacity from time to time sufficient to provide such service without detriment or disadvantage to Transporter's firm transportation customers.

2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered shall be the transportation of natural gas up to the Maximum Interruptible Quantity (MIQ) set out in the IT Agreement performed under Subparts B and G of Part 284 of the Commission's Regulations. Service shall be on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing either the receipt or delivery of gas. Interruption and availability of interruptible capacity shall be in accordance with Section 9 in the General Terms and Conditions of this Tariff. Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule, except as provided in Section 5.2 of this Rate Schedule.

3. CONTRACTING

Transporter shall enter into an IT Agreement with any Shipper which meets the credit standards in the General Terms and Conditions of this Tariff and submits a valid request consistent with Section 5 of the General Terms and Conditions of this Tariff. Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule IT, including the applicable General Terms and Conditions of this Tariff.

4. DELIVERIES AND RECEIPTS

4.1 Receipt Points: All receipt points on Transporter's system shall be available as receipt points for gas transported under this Rate Schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where: (1) the total quantity of gas scheduled for receipt on any Day is less than that required for the accurate measurement of quantities to

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be received; (2) Shipper has failed to make and properly implement all necessary upstream arrangements on upstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

- 4.2 Delivery Points: All delivery points on Transporter's system shall be available as delivery points for gas transported under this Rate Schedule. Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be delivered; (2) Shipper has failed to make and properly implement all necessary downstream arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 in the General Terms and Conditions of this Tariff.

5. RATES AND CHARGES

- 5.1 Transportation Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate, the transportation rate is the maximum IT rate shown on the effective Tariff Sheet No. 4. The Monthly Bill for service shall equal:

- (a) The applicable IT Rate multiplied by the dekatherms of natural gas transported and delivered by Transporter for Shipper in the month pursuant to this Rate Schedule; and
- (b) If applicable, any other charges pursuant to Section 5 of this Rate Schedule.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of

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reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gravimeters, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of transportation and appurtenant facilities within 30 days following completion of construction of such facilities.

- (b) Alternatively, if Transporter and Shipper mutually agree, the cost of such facilities as determined under Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

- 5.3 **Incidental Charges:** In addition to the charges pursuant to Section 5.1 and 5.2 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees and, if applicable, sales or use tax that have not been previously paid by Shipper, that Transporter incurs in establishing or rendering service. Shipper shall also pay any penalties or other applicable charges set out in the General Terms and Conditions of this Tariff.
- 5.4 **Retainage:** For all forward hauls, Transporter shall deduct from the volume tendered to Transporter by Shipper for redelivery to Natural an amount of gas sufficient to compensate Transporter for fuel gas, line loss and other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.
- 5.5 **Right to File Rate Changes:** Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.
- 5.6 **Liquids Transportation:** Transporter may, but is not obligated to, transport liquids for Shipper. Any transportation of liquids on behalf of Shipper shall be pursuant to a separate agreement, which agreement shall set out the negotiated rate for such transportation.



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

6. GENERAL TERMS AND CONDITIONS

- 6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.
- 6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions in this Tariff, the provisions of the General Terms and Conditions shall govern.

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GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this Tariff and in any transportation service agreement shall be construed to have the following meanings:

- 1.1 The term "Bidder" shall mean, depending upon the context, any person that submits a bid for released transportation capacity pursuant to the terms of Section 11 in these General Terms and Conditions or any person which submits a bid in a right of first refusal procedure under Section 7 of these General Terms and Conditions.
- 1.2 The term "British thermal unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at a standard pressure of 14.73 dry psia at 60 degrees Fahrenheit (101.325 kPa and 15 degrees C, and dry). (The reporting basis for gigacalorie is 1.035646 Kg/cm and 15.6 degrees C and dry.)
- 1.3 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.
- 1.4 The term "Central Clock Time" and "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.
- 1.5 The term "Confirmation" shall mean a communication that reflects the quantity of gas to be received or delivered on behalf of each Shipper at a receipt or delivery point.
- 1.6 The term "cubic foot" shall mean the volume of gas that occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit, and at a pressure of 0.33 pounds per square inch above an assumed atmospheric pressure of 14.4 pounds per square inch (14.73 points per square inch absolute [psia]) and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
- 1.7 The term "Daily Limit" shall mean the quantity specified in an Operational Flow Order at a receipt or delivery point.

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- 1.8 The term "Day" and "Gas Day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 A.M. Central Clock Time.
- 1.9 The term "dekatherm" or "dth" shall mean the quantity of heat energy that is 1,000,000 Btu's. The standard quantity for nominations, confirmation and scheduling is dekatherms per Gas Day in the United States.
- 1.10 The term "Maximum Daily Quantity," or "MDQ" where used herein or in a transportation service agreement shall mean the maximum daily quantity of natural gas that Transporter shall be obligated to transport on a firm basis under an FT Agreement. The MDQ shall also be subdivided to indicate the maximum daily quantity which Transporter shall be obligated to deliver on a firm basis under the Agreement at a particular primary delivery point each billing day and the maximum daily quantity of gas that Transporter shall be obligated to receive at a particular primary receipt point each billing day.
- 1.11 The term "Maximum Interruptible Quantity" or "MIQ" shall mean the maximum daily quantity that a Shipper may nominate under its IT Agreement.
- 1.12 The term "Mcf" shall mean 1,000 cubic feet of gas.
- 1.13 The term "Month" shall mean the period beginning at 9:00 A.M. CCT on the first day of the calendar month and ending at 9:00 A.M. CCT on the first day of the next succeeding calendar month.
- 1.14 The term "NGPL" shall mean Natural Gas Pipeline Company of America.
- 1.15 The term "Negotiated Rate" should mean a rate determined under Section 26 of these General Terms and Conditions.
- 1.16 The term "Operational Flow Order(s)" or "OFO" shall mean an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Transporter's system or to maintain operations required to provide efficient and reliable firm service. An OFO may cover actions required of any Shipper or Shippers, pursuant to Section 8 of these General Terms and Conditions, in order to ensure deliveries of gas to all firm Shippers in accordance with their Scheduled Quantities or as required to maintain system integrity or when an

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interconnecting entity calls an OFO or takes similar action. Whenever the Transporter experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.

- 1.17 The term "Receiving Pipeline" shall mean the pipeline or other entity that is interconnected with Transporter and physically receives gas delivered by Transporter either for its own account or that of others.
- 1.18 The term "Recourse Rate" shall mean the applicable maximum rate which would apply to a service but for agreement on a Negotiated Rate.
- 1.19 The term "Release Quantity" shall mean the quantity that a Shipper releases under Section 11 of these General Terms and Conditions. The Release Quantity shall be stated in dth per day.
- 1.20 The term "Releasing Shipper" shall mean any Shipper that releases capacity pursuant to the provisions of Section 11 in these General Terms and Conditions.
- 1.21 The term "Replacement Shipper" shall mean any shipper that purchases temporarily or permanently released capacity pursuant to the provisions of Section 11 in these General Terms and Conditions.
- 1.22 The term "Retainage" shall mean the volume of gas which Transporter retains to compensate it for any system gas used, which includes fuel gas or gas lost and unaccounted for, as applicable. Transporter is to redeliver at delivery points the volume of gas it receives from Shipper less Retainage. The difference between Btus delivered to Transporter for transportation from all Shippers and Btus redelivered to all Shippers hereunder, shall be deemed Retainage. Each Shipper shall provide such Retainage to the actual Btus of gas delivered by such Shipper to Transporter during the period covered by the thermal balance.
- 1.23 The term "Scheduled Quantity" shall mean the quantity of natural gas that Shipper nominates for receipt at a receipt point or redelivery to Shipper at a delivery point, and that Transporter schedules for receipt and/or delivery.

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- 1.24 The term "Shipper" shall mean any party receiving service pursuant to any of Transporter's Rate Schedules and transportation service agreements.
- 1.25 The term "Shipper's Facilities" shall mean all Shipper's or Shipper's gatherer's pipes, pipelines, and equipment used for physically handling, transporting, and distributing natural gas to be transported by Transporter.
- 1.26 The term "title," if not otherwise addressed in the Transporter's contract or tariff, is the term used to identify the ownership of gas.
- 1.27 The term "total heating value", when applied to a cubic foot of gas, shall mean the number of Btu's produced by the complete combustion with air at constant pressure of one anhydrous (dry) cubic foot of gas under a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- 1.28 The term "Transporter" shall mean Panther Interstate.
- 1.29 The term "transportation service agreement" shall mean an IT Agreement or an FT Agreement, or both, depending upon the context. This term also includes IT or FT Agreements which reflect a Negotiated Rate and FT Agreements entered into with a Replacement Shipper. A transportation service agreement which includes a Negotiated Rate shall conform to the Form of Service Agreement set out in this Tariff, except for the special elements identified in Section 26 of these General Terms and Conditions. A transportation service agreement between Transporter and a Replacement Shipper shall conform to the Form of Service Agreement set out in this Tariff, except for the additional items required under Section 11 of these General Terms and Conditions, and provisions necessary to reflect the permissible terms and conditions of the specific release.
- 1.30 The term "year" shall mean a period of 365 consecutive Days beginning on the date natural gas is first delivered or is to be delivered under the gas transportation or other service contract, whichever is earlier, or on any anniversary thereof; provided, however, that any such year that contains a date of February 29 shall consist of 366 consecutive Days.

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

2. QUALITY

Shipper is obligated to deliver to Transporter gas meeting the quality specifications set forth in NGPL's effective FERC tariff; provided, however, that Transporter shall accept gas containing a saturation level in excess of that permitted by NGPL's tariff where Shipper and Transporter have entered into a separate agreement for downstream dehydration service.

3. MEASUREMENT

3.1 Unit of Measurement: The transportation unit of gas received and delivered by Transporter shall be a dekatherm, unless otherwise indicated in this tariff.

3.2 Determination of Volume and Total Heating Value: The volume and the total heating value of gas received and delivered by Transporter shall be determined as follows, provided that Transporter shall have the right, at any time, to rely on the measurements and statements for quantities and heating values of gas actually provided to Transporter by any relevant interconnecting entity.

(a) The unit of volume, for the purpose of measurement, shall be one (1) cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit, and at a pressure of thirty-three hundredths (.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch (fourteen and seventy-three hundredths (14.73) pounds per square inch absolute pressure) and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

(b) The total heating value of the gas per cubic foot shall be determined at the receipt point on the basis of periodic samplings to be examined at a qualified laboratory, and at the delivery point by a recording chromatograph to be located at the point of interconnection between the facilities of Transporter and Shipper.

(c) Dekatherms delivered shall be determined by multiplying the Mcf delivered by the ratio of the total heating value of the gas delivered to 1,000. For purposes of this determination the specific gravity and heating value shall be determined at approximately the same time.

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

- (d) The temperature of the gas passing through the meters shall be determined by a temperature transducer, another type of electronic temperature recording device, a recording thermometer, or any other method mutually agreed upon, so installed that it may properly record the temperature of the gas flowing through the meters.
- (e) The deviation of the natural gas from Boyle's Law shall be determined by American Gas Association Par Research Project NX-19 or any superseding applicable publications by the American Gas Association.
- (f) The closing of measurement shall be the later of the fifth (5th) Business Day after the close of the month or the third Business Day after receiving a statement from the relevant interconnecting entity stating the quantities delivered to Transporter.

4. MEASUREMENT EQUIPMENT

4.1 Measuring Facilities: Unless Transporter agrees otherwise, all necessary measuring facilities shall be installed, owned, maintained and operated by Transporter or Transporter's designee at or near the applicable receipt point(s) and delivery point(s). Unless otherwise mutually agreed upon, and consistent with the provisions of the applicable Rate Schedule and Section 22 of these General Terms and Conditions, Shipper shall reimburse Transporter or Transporter's designee for any costs incurred to install, maintain, and operate measuring facilities.

- (a) Orifice Meters: Orifice meters, if used, shall be installed, and gas quantities computed, in accord with American National Standard Bulletin ANSI/API 2530, AGA Report No. 3, Orifice Metering of Natural Gas, dated May 16, 1985, and any modifications and amendments thereof, and shall include the use of flange connections and straightening vanes.
- (b) Diaphragm, Rotary or Turbine Meters: Diaphragm or Rotary meters, if used, shall be installed and gas quantities computed, in accordance with generally accepted industry practices. Turbine meters shall be installed in accordance with AGA Report No. 7 (latest edition) with quantities computed in accordance with generally accepted Industry practices.



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- (c) **Electronic Flow Computers:** The use of electronic or other types of flow computers is required, unless otherwise mutually agreed, and such equipment shall be installed, and quantities calculated, in accord with generally accepted industry practices.
  - (d) **New Measurement Techniques:** If, at any time, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon mutual agreement thereto by the parties.
- 4.2 **Right to be Present:** Transporter and Shipper shall each have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under the transportation contract. The records from such measuring equipment shall remain the property of their owner, but, upon request, each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten Days after receipt thereof.
- 4.3 **Care Required:** Any installation of measuring equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure-regulating equipment so as to prevent any inaccuracy in the determination of the quantity of gas delivered under transportation service agreements.
- 4.4 **Calibration and Testing of Meters:**
- (a) The accuracy of Transporter's or Shipper's measuring equipment shall be verified at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither party shall be required to verify the accuracy of such equipment more frequently than once in any thirty-day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for, shall be borne by

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

the requesting party if the measuring equipment tested is found to be in error not more than two percent (2%).

- (b) If, upon testing, any measuring equipment is found to be in error by not more than two percent (2%), previous recordings of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately.
- (c) If, upon test, any measuring equipment shall be found to be inaccurate by an amount exceeding two percent (2%), at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely, but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen days.

5. QUALIFICATION FOR SERVICE

- 5.1 Request for Service: All Shippers requesting firm transportation service or interruptible transportation service must provide the applicable information required by this Section 5 in order to qualify for service. Requests must be provided by a means consistent with Section 16 of these General Terms and Conditions. Any material modification, in whole or in part, of an existing transportation service shall be requested by Shipper's submission of a new request for service with a notation that the service requested is a modification of an existing service. No request for service will be processed until a completed request on a form provided by Transporter has been submitted by Shipper to Transporter consistent with this Section 5. Transporter shall not be obligated to accept a request which has been submitted more than ninety (90) days prior to the proposed effective date, but may do so on a non-discriminatory basis or where additional facilities are required.
- 5.2 Required Information: Any request shall include the information listed below. Shipper shall provide any additional information reasonably required by Transporter to process the request; provided that the request for additional information shall not affect the priority of Shipper's request.

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- (a) Gas Quantities: Shipper shall provide the appropriate quantity information applicable to the type of service requested as follows:
  - (i) for firm transportation, Shipper shall provide the MDQ stated in dekatherms for the FT Agreement;
  - (ii) for interruptible transportation, Shipper shall provide the MIQ and the estimated total quantities to be received and transported over the delivery period.
- (b) Receipt/Delivery Points: For firm transportation requests, Shipper shall provide:
  - (i) the designated primary receipt points and primary delivery points and the MDQ at each such point;
  - (ii) The MDQs specified at all of Shipper's primary receipt point(s) must in the aggregate equal the MDQ stated in the FT Agreement.
  - (iii) The MDQ specified at all of Shipper's primary delivery point(s) must in the aggregate equal the MDQ stated in the FT Agreement.
  - (iv) the name of the party delivering the gas to Transporter; and
  - (v) the name of the party to receive the gas from Transporter.
- (c) Term: The proposed commencement and termination dates of service.
- (d) Shipper Certification: Shipper shall provide a statement certifying that all necessary upstream and downstream arrangements will be in place on the date the service is to commence and that the Shipper will have title or the right to acquire title to the gas which will be delivered to Transporter.
- (e) Facilities: For any request, identification and location of any facilities to be constructed or installed by any party affected by the proposed service.

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(f) Credit Evaluation: For any request, all credit information required in Section 6 of the General Terms & Conditions in this Tariff. Shipper must satisfy the requirements of said Section 6 to be eligible for service.

5.3 Denial of Request: If Transporter denies a request, the denial shall indicate the reason the request is being denied. Any request which has been properly denied consistent with this Tariff shall be deemed a nullity for all present and future purposes.

5.4 Execution of Agreement: If Transporter accepts Shipper's request for service, Shipper and Transporter shall execute a transportation service agreement in the form set forth in this Tariff for the service requested. The transportation service agreement must be executed and returned by Shipper within ten (10) days after Transporter tenders the transportation service agreement to Shipper.

6. CREDIT REQUIREMENTS

6.1 Required Credit Information: Unless otherwise agreed, a Shipper seeking service from Transporter under either Rate Schedule FT or Rate Schedule IT must provide:

(a) Audited Financial Statements;

(b) Annual Reports;

(c) The most recently filed statements with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;

(d) For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;

(e) For non-public entities, including those that are state-regulated utilities, the most recent available interim financial statements, with an attestation by its CFO that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with GAAP or equivalent;

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- (f) For non-public entities, including those that are state-regulated utilities, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the Shipper's current financial condition;
  - (g) For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism;
  - (h) List of affiliates, parent companies, and subsidiaries;
  - (i) Publicly available credit reports from credit and bond rating agencies;
  - (j) Private credit ratings, if obtained by the Shipper;
  - (k) Bank references;
  - (l) Trade references;
  - (m) Statement of legal composition;
  - (n) Statement of the length of time the business has been in operation;
  - (o) Any other information reasonably required so that Transporter can make its credit determination under this Section 6; and
  - (p) Such other information as may be mutually agreed to by the parties.
- 6.2 Parent Company Information: In the event Shipper cannot provide the information in Section 6.1 above, Shipper shall, if applicable, provide that information for its parent company.
- 6.3 Eligibility for Service: Transporter shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper which is or has become insolvent or which is or becomes noncreditworthy; provided, however, such Shipper may receive service under any Rate Schedule if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an

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amount equal to all service fees and charges for a three month period or the duration of the transportation service agreement, whichever is shorter. Any Bidder or requestor for service must satisfy these credit requirements before a bid or request is deemed valid.

- 6.4 Suspension or Termination of Service: For an existing Shipper, if Transporter determines that Shipper is no longer creditworthy, Transporter may suspend service on five (5) Business Days' prior notice unless Shipper provides security within that period for one month of advance service, in addition to paying for the current month's service and any outstanding amount (excluding any amount as to which there is a good faith dispute). In addition, Shipper must within 30 days provide security in advance equal to all fees and charges for three months of service, or Transporter may immediately suspend service. Transporter may terminate service on 30 days' prior notice (the notice may be concurrent with the suspension notice above) if Shipper fails to satisfy the credit requirements within the applicable notice period. Any notices hereunder shall also be provided simultaneously to the Commission. In addition, Transporter shall notify the Commission by the next Business Day if a suspension or termination actually occurs.
- 6.5 Insolvency: 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 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 Act 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. Insolvency may also be demonstrated by a filing made by a third party for the involuntary bankruptcy or insolvency of Shipper.
- 6.6 Creditworthiness: A Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") and at least Baa3 by Moody's Investor Service ("Moody's") (provided, however, that if the

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Shipper's rating is at BBB- or Baa3 and the short-term or long-term outlook is Negative, Transporter may require further analysis as discussed below); and (ii) the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term is less than 15% of Shipper's tangible net worth. If a Shipper has multiple transportation service agreements with Transporter, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

If Shipper does not meet the criteria described above, then Shipper may request that Transporter evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Transporter shall apply consistent evaluation practices to all similarly situated Shippers to determine the Shipper's financial ability to perform the payment obligations due to Transporter over the term of the requested or existing transportation service agreement. Such credit appraisal shall be based upon Transporter's evaluation of the following information and credit criteria:

- (a) S&P and Moody's opinions, watch alerts, and rating actions and reports, rating, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.
- (b) Consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
- (c) Results of bank and trade reference checks and credit reports must demonstrate that a Shipper is paying its obligations in a timely manner.
- (d) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An

**Original Sheet No. 28** Original Sheet No. 28 : Effective

exception may be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment.

- (e) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- (f) Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its transportation service agreements (excluding amounts as to which there is a good faith dispute).
- (g) The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- (h) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the contract.

7. TERMINATION OF AGREEMENTS

- 7.1 Termination of Long Term FT Agreements: Any Shipper with a Long Term (having a term of twelve or more months) FT Agreement at the maximum applicable tariff rate shall be eligible to exercise a right of first refusal to continue to receive service pursuant to the procedure outlined in this Section. If a Shipper desires to invoke its right of first refusal, it must notify Transporter at least ten (10) months prior to the expiration of such FT Agreement by a means provided under section 16 of these General Terms and Conditions, or it will waive such rights. If such a notice is received by Transporter, the following procedures will apply:



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- (a) Transporter shall post the capacity for bidding on its Internet web site at least 60 days prior to the termination of the FT Agreement. The capacity will remain posted on Transporter's Internet web site for a minimum of 10 days. Such posting shall contain the following information with respect to the capacity:
  - (i) daily and other applicable quantity limitations of capacity available;
  - (ii) primary receipt and delivery points;
  - (iii) maximum reservation charge as set forth in this Tariff;
  - (iv) any applicable restrictions; and
  - (v) the last day of the Bidding Period.
- (b) Bids shall be submitted to Transporter in writing, in accordance with the communication procedures set forth in Section 16 of these General Terms and Conditions. Such bids shall be binding on Bidder. Upon conclusion of the Bidding Period, Transporter shall evaluate the bids in accord with the net present value formula set forth in Section 11 for firm transportation service for the evaluation of bids under Transporter's capacity release mechanism; provided that the term used for purposes of the formula will be the term proposed by the Bidder and provided further that Transporter shall have no obligation to accept a bid for less than the filed maximum reservation rate.
- (c) Within seven (7) Business Days of the close of the Bidding Period, Transporter shall notify Shipper of the acceptable bid, if any, having the highest present value to Transporter ("Highest Bid"). Shipper shall have five (5) Business Days after receiving notice to notify Transporter in writing as to whether it will match the Highest Bid acceptable to Transporter. Shipper's notification of its election to match the Highest Bid is contractually binding on Shipper. If the Shipper elects to match the Highest Bid, then it must execute a new FT Agreement that contains the terms of that Highest Bid, within five (5) Business Days after such agreement is tendered by Transporter; provided, however, that Shipper shall not be required to pay any rate higher than the maximum applicable rate.

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(d) If Transporter receives no acceptable bids on the capacity, then Shipper may continue to receive service at the applicable maximum rate on a month-to-month basis or at such other rate and for such term on which Transporter and Shipper mutually agree.

7.2 Posting of Capacity: If a Shipper elects to terminate its FT Agreement without invoking the right of first refusal, or if capacity is not awarded in the right of first refusal process, the availability of the capacity will be posted on Transporter's Internet web site and will be awarded on a basis consistent with Rate Schedule FT.

8. OPERATIONAL FLOW ORDERS

8.1 Circumstances Warranting Issuance: Transporter shall have the right to issue Operational Flow Orders (OFO) as specified in this Section that require actions by Shippers in order to: (1) alleviate conditions that threaten or could threaten the safe operations or system integrity of Transporter's system; (2) maintain pipeline operations at the pressures required to provide efficient and reliable transportation services; (3) have adequate gas supplies in the system to deliver on demand; (4) maintain service to all Shippers and for all services; (5) maintain the system in balance for the foregoing purposes or for the purpose of preventing undue imbalances with an interconnecting entity; and (6) respond at any time to requirements imposed by an entity with which Transporter interconnects.

8.2 Applicability of OFO: To the extent practicable, based on Transporter's good faith judgment concerning the situations requiring remediation, an OFO will be directed: (1) first, to Shippers causing the problem necessitating the OFO; (2) second, to Shippers transporting gas in the area of the system in which there is an operational problem; and (3) third, to those Shippers with service affecting in the area of the system where action is required to correct the problem necessitating the OFO. Transporter will notify affected Shippers promptly once an OFO has been terminated.

8.3 Notice: All OFOs will be posted on Transporter's Internet web site and, in addition, will be issued via telephone or by a facsimile to the affected Shipper(s). The OFO will set forth: (1) the time and date of issuance; (2) the actions

**Original Sheet No. 31** Original Sheet No. 31 : Effective

Shipper/operator is required to take; (3) the time by which Shipper must be in compliance with the OFO; (4) the anticipated duration of the OFO; and (5) any other terms that Transporter may reasonably require to ensure the effectiveness of the OFO. Each Shipper must designate two persons, for Transporter to contact on operating matters at any time, on a 24-hour a day, 365-day a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters. If Transporter cannot contact any Shipper because that Shipper has failed to designate a contact person or Shipper's contact person is unavailable, Transporter shall not be responsible for any consequences that could have been prevented by communication. Transporter, however, will make reasonable continuing efforts to notify the affected Shipper. To the extent practicable, Transporter shall provide an advance warning of a possible OFO by posting on its Internet web site, and by facsimile or by telephone.

- 8.4 Shipper Compliance: A Shipper must comply with an OFO within the time period set forth therein unless the Shipper is able to demonstrate that such compliance is prevented due to a force majeure event as defined in Article 15 of these General Terms and Conditions; provided that the Shipper shall make a good faith effort to comply with any such OFO, including seeking waivers of any contractual limits with third parties or modifications of operating conditions on third party systems. Shipper shall notify Transporter immediately if it believes that it is excused from compliance with the OFO for any of the above stated reasons, and shall provide Transporter with documentation sufficient to support its basis for non-compliance.
- 8.5 Penalties: If a Shipper fails to comply with an OFO, it shall be subject to: (1) a penalty of \$10.00 per dth for any volume of gas by which it deviated from the requirements of the OFO; and (2) an Unauthorized Overrun Charge of \$25.00 per Dth for quantities tendered or taken by Shipper in excess of its MDQ. A Shipper shall not incur any charges or penalties if such charges or penalties would not have been incurred but for Shipper's compliance with an OFO. A Shipper shall not incur any penalties if the OFO was necessitated exclusively by Transporter's negligence or willful misconduct.
- 8.6 Liability of Transporter: Transporter shall not be liable for any costs incurred by any Shipper in complying with an OFO. Transporter shall not be responsible for any damages that result from any interruption in Shipper's service that is a result of a

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

Shipper's failure to comply promptly and fully with an OFO, and the non-complying Shipper shall indemnify Transporter against any claims of responsibility.

- 8.7 Unilateral Action: Transporter may periodically take unilateral action, including but not limited to the curtailment of service consistent with Section 9.3 of these General Terms and Conditions and/or operational purchases or sales under Section 24 of these General Terms and Conditions, to maintain the operational integrity of Transporter's system (or any portion thereof) in the event that: (1) Shipper(s) does not respond to an OFO; or (2) the actions taken thereunder are insufficient to correct the system problem for which the OFO was issued; or (3) there is insufficient time to carry out the procedures with respect to OFOs. For purposes of this Section, the operational integrity of Transporter's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of gas delivered.
- 8.8 Reporting: Within thirty (30) days after an OFO terminates, Transporter shall prepare a report concerning the factors causing the OFO to be imposed and to be terminated. The report will be supplied to affected Shippers upon request.

9. SCHEDULING OF RECEIPTS AND DELIVERIES

9.1 Scheduling and Allocation:

- (a) Scheduling on Transporter's system shall be accomplished by a Shipper following the standard nominations timeline set forth in Section 9.2(d) of these General Terms and Conditions. Transporter or its designee shall notify Shipper if nominated quantities are rejected. With notice to Shippers, Transporter may make arrangements with interconnecting entities to facilitate Shipper's ability to schedule on one or more systems without duplicative communications or confirmations.
- (b) Nomination notices by Shipper to Transporter shall be sent by facsimile or electronic means specified by Transporter to:

Effective Date: 02/01/2004 Status: Effective  
FERC Docket: CP03-338-001

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

Attn: Carla Nims  
E-Mail: cnims@panthercompanies.com  
Facsimile: (832) 552-4030

No transportation service will commence or be scheduled unless or until: (1) Transporter has received complete customer nomination information, including a specification of the volumes to flow; (2) any upstream or downstream entity involved agrees to deliver and receive the nominated quantities and confirm such agreement to Transporter's or its designee's reasonable satisfaction, including a specification of the quantities to flow; and (3) Shipper has been advised by Transporter or its designee that quantities have been scheduled pursuant to Shipper's transportation service agreement. In the event of a discrepancy between the quantity nominated by a Shipper and the corresponding quantity confirmed by the upstream and downstream entities, Transporter shall schedule the lesser of the two quantities. All submissions of nominations and confirmations to Transporter shall be made according to the timeline for nominations set forth in Section 9.2(d) of these General Terms and Conditions.

- (c) Scheduling Duration: Unless otherwise agreed, the scheduled service specified in a nomination shall be effective commencing at 9:00 A.M. CCT on the beginning Gas Day and terminating at 9:00 A.M. CCT on the ending Gas Day, as specified in the nomination, provided that the requested time period is wholly within the term of the applicable transportation service agreement pursuant to which the nomination is submitted.
- (d) Scheduling Nominations Timeline: Unless and until Transporter notifies Shipper that it has installed or otherwise commissioned the use of an interactive electronic information service, nominations and confirmations for transportation service on Transporter's system shall be communicated in writing by e-mail, facsimile or other agreed-upon means according to the following schedule.
  - (i) No later than 11:00 a.m. on the fifth Business Day before the first Day of a Month, Shipper shall advise Transporter in writing of the volume of gas it expects to tender to Transporter during each Day of such

Effective Date: 10/01/2009 Status: Pending  
FERC Docket: RP09-1018-000

**First Revised Sheet No. 33** First Revised Sheet No. 33  
Superseding: Original Sheet No. 33

Attn: Melanie Angell  
E-Mail: mangell@panthercompanies.com  
Facsimile: (832) 552-4030

No transportation service will commence or be scheduled unless or until: (1) Transporter has received complete customer nomination information, including a specification of the volumes to flow; (2) any upstream or downstream entity involved agrees to deliver and receive the nominated quantities and confirm such agreement to Transporter's or its designee's reasonable satisfaction, including a specification of the quantities to flow; and (3) Shipper has been advised by Transporter or its designee that quantities have been scheduled pursuant to Shipper's transportation service agreement. In the event of a discrepancy between the quantity nominated by a Shipper and the corresponding quantity confirmed by the upstream and downstream entities, Transporter shall schedule the lesser of the two quantities. All submissions of nominations and confirmations to Transporter shall be made according to the timeline for nominations set forth in Section 9.2(d) of these General Terms and Conditions.

- (c) Scheduling Duration: Unless otherwise agreed, the scheduled service specified in a nomination shall be effective commencing at 9:00 A.M. CCT on the beginning Gas Day and terminating at 9:00 A.M. CCT on the ending Gas Day, as specified in the nomination, provided that the requested time period is wholly within the term of the applicable transportation service agreement pursuant to which the nomination is submitted.
- (d) Scheduling Nominations Timeline: Unless and until Transporter notifies Shipper that it has installed or otherwise commissioned the use of an interactive electronic information service, nominations and confirmations for transportation service on Transporter's system shall be communicated in writing by e-mail, facsimile or other agreed-upon means according to the following schedule.
  - (i) No later than 11:00 a.m. on the fifth Business Day before the first Day of a Month, Shipper shall advise Transporter in writing of the volume of gas it expects to tender to Transporter during each Day of such

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Month. The projected daily volumes shall reflect Shipper's reasonable judgment of the collective deliverability of the producing wells tied into Transporter's system and/or into upstream gathering systems feeding Transporter's system during the Month in question, from which wells gas is to be tendered to Transporter by Shipper's or for Shipper's account.

- (ii) As soon as practicable, but in no event later than 9:00 a.m. on the Day before gas flow, Shipper shall notify Transporter in writing of any perceived change in daily gas flow into Transporter's system during the Month in question.
- (iii) All nominations shall be stated in terms of a daily transportation quantity; provided, however, that Transporter shall not be required to schedule any such nomination where the nominated quantity exceeds the MDQ or MIQ permitted under the transportation service agreement pursuant to which service is requested or which would require Transporter to provide an unreasonably excessive change in the daily flow.
- (iv) The standard quantity for nominations, confirmation and scheduling is dekatherms per Gas Day.
- (v) Bump Protection: Transporter shall not schedule a transportation nomination change during the month, if the result of scheduling such nomination would be to bump flowing and scheduled transportation under any firm service agreement.
- (vi) Unless otherwise directed by Shipper, Transporter agrees to act as Shipper's agent for purposes of scheduling downstream deliveries of gas into NGPL. In order to facilitate such downstream scheduling on a monthly or daily basis, Shipper must provide Transporter, by the deadlines specified in Sections 9.1(d)(i) and (ii), respectively, with the information necessary for Transporter to be able to issue timely and complete nominations to NGPL on Shipper's behalf. Such information shall include the NGPL shipper name(s) and service agreement identification number(s) for whose account(s) the subject volumes are to be delivered. Where a Shipper intends to split its

delivered stream between two or more NGPL Shippers or service agreements, an allocation directive shall also be required. In undertaking to provide this agency service, Transporter assumes no responsibility for the accuracy of Shipper's information, nor any liability beyond that assumed under applicable provisions of these General Terms and Conditions.

- (vii) 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 shall be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the Transporter shall provide the Shipper with the following information to explain why the nomination failed, as applicable: (1) the Transporter did not conduct the confirmation; (2) the upstream confirming party did not conduct the confirmation; (3) the upstream entity did not have the gas or submit the nomination; (4) the downstream confirming party did not conduct the confirmation; (5) the downstream entity did not have the market or submit the nomination. This information should be imparted to the Shipper on the Scheduled Quantity document.

9.2 Scheduling Priority: Transporter shall schedule receipts and deliveries of gas which have been properly nominated and confirmed in the following sequence and/or in accordance with the supply/market rankings provided in a Shipper's nomination:

- (a) First, among Rate Schedule FT Shippers using primary receipt or delivery points according to the quantities of gas scheduled by such Shippers, with any allocation required being pro rata based on MDQ;
- (b) Pro-rata among Rate Schedule FT Shippers using secondary receipt or delivery points within contract MDQ according to the quantities of gas scheduled by such Shippers;



- (c) Among interruptible services (service under Rate Schedule IT and authorized overruns), according to the rate paid by Shippers each month, with interruptible service at higher rates being scheduled ahead of service at lower rates. The foregoing notwithstanding, if an IT Shipper was flowing gas under its IT Agreement during the previous month, each Shipper will be notified prior to the start of the month of delivery if its current IT nomination cannot be scheduled due to price, and given an opportunity to offer a price that will enable its IT nomination to be scheduled. Interruptible Shippers paying the same rate shall be scheduled pro rata based on Scheduled Quantities. For the purpose of this subsection (c), any shipper paying a Negotiated Rate above the Recourse Rate shall be deemed to be paying the Recourse Rate.

9.3 Allocation of Limited Capacity

- (a)
  - (i) Curtailment: If, on any Day, Transporter determines that the capacity of its system, or any portion thereof, including the point(s) at which gas is tendered for transportation, is insufficient to serve all Shippers that are scheduled to receive service on such Day, capacity that requires allocation shall be allocated in a manner that results in curtailment of capacity, to zero if necessary, in reverse of the order listed in Section 9.2 above.
  - (ii) For the purposes of determining how deliveries are to be allocated at any receipt point at which gas is tendered to Transporter for the accounts of two or more Shippers, unless the affected Shippers agree upon an alternative allocation methodology, pro rata based upon confirmed nominations will be used as the default method.
  - (iii) The timing for reporting daily operational allocations after the gas has flowed is within one Business Day after the end of a 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.
  - (iv) The time limitation for disputing any allocation is 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.

- (b) Upstream or Downstream Curtailment: If an upstream entity curtails or interrupts deliveries to Transporter or a downstream entity curtails or interrupts receipts from Transporter, transportation by Transporter shall likewise be curtailed or interrupted and Shipper will be responsible for arranging adjustments of transportation quantities on all upstream/downstream interconnecting entities.
- 9.4 Uniform Quantities: Except for changes in service as provided in Section 9.1 of these General Terms and Conditions, Shipper shall deliver and receive gas in essentially uniform daily quantities and in uniform hourly quantities during any Gas Day with no significant fluctuation to the extent reasonably practicable; provided, however, that Transporter may waive this restriction on hourly quantities within any Gas Day to the extent operationally feasible in Transporter's judgment, on a basis which is not unduly discriminatory. In addition to any other amounts chargeable to Shipper for unauthorized imbalances, Shipper shall reimburse Transporter for any charges or penalties incurred by Transporter from an interconnecting entity. Notwithstanding the foregoing, if Shipper arranges for adequate balancing services by an interconnecting pipeline or by another capable entity and obtains Transporter's consent for such an arrangement (which consent will not be unreasonably withheld), then Shipper's quantities can fluctuate relative to Scheduled Quantities to the extent balancing support is actually provided by such an entity and no disruption occurs to other Shippers or to Transporter's system integrity.
- 9.5 Supply Deficiencies: If Transporter experiences a supply shortfall due to the underdelivery of supply to Transporter's system, then: (a) if the deficient source is known, Transporter will curtail the corresponding Shipper; or (b) if the deficient sources are indeterminable, then, to the extent necessary and practicable, Transporter will curtail consistent with Section 9.3 of these General Terms and Conditions.
- 9.6 Shipper Duty to Control Imbalances: A Shipper receiving any transportation service from Transporter will use, or will cause any party receiving or delivering Shipper's gas to use, all reasonable efforts to ensure that receipts and deliveries of gas

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are equal to the Scheduled Quantities, adjusted for Retainage. To the extent Transporter determines during the course of any month that Shipper's actual tender of gas to Transporter is differing from the volumes scheduled, Transporter shall so advise Shipper, soliciting or directing any nomination changes as Transporter may deem necessary or prudent under the circumstances, and advising NGPL of any such change pursuant to Section 9.1(d)(vi).

9.7. Imbalance Settlement. Imbalances shall be determined and settled monthly.

- (a) Within ten (10) Business Days following the end of each Month, Transporter shall issue to each Shipper a cumulative imbalance statement for the month. At Shipper's direction, Transporter shall also post such imbalance statement on its Website. On or before the eighth Business Day following the Month, Shippers on Transporter's system may trade imbalances among themselves, and report the results of any such trades to Transporter by the means specified in Section 16 of these General Terms and Conditions. Any imbalances remaining at the end of this process will be subject to cashout in accordance with Section 9.7(b), and reflected on the monthly invoice issued pursuant to Section 10.
- (b) Any imbalances between what is nominated and received from or for the account of an individual shipper at a Panther Interstate receipt point will be settled between Panther Interstate and the shipper on a basis that mirrors that to be used for imbalance settlement between Panther Interstate and Natural. Where such settlement is by means of cashout, such cashout shall be valued in accordance with the relevant price index or indices and pricing tiers used by Natural and Panther Interstate for cashout of imbalances under the Operational Balancing Agreement in effect at the delivery point. Should Natural at any time impose on Panther Interstate any form of daily or hourly limitation on actual flows, Panther Interstate will so notify its shippers directly, invoking as necessary the Operational Flow Order provisions contained in the General Terms and Conditions of its tariff.
- (c) For volumes received and delivered by Transporter for Shipper in excess of the scheduled volume, Shipper shall, unless mutually agreed otherwise, be charged an Overrun Rate equal to the maximum effective IT rate.

9.8 Imbalance Trading and Netting

- (a) Shippers may net and/or trade imbalances incurred on Transporter's system (defined to be the Operational Impact Area), provided such trade(s) will not have an adverse impact on Transporter's operations and transportation revenues. Netting of imbalances includes summing, which is the accumulation of all imbalances above any applicable tolerances, and offsetting, which is the combination of positive or negative imbalances above any applicable tolerances. All imbalances incurred by a Shipper will be aggregated and netted at Shipper's most upstream Primary Receipt Point.
- (b) Shippers must nominate imbalance trades. Such nominations will be processed consistent with section 9.1. Transporter shall not be liable for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once it has been nominated.
- (c) Transporter will allow the trading of imbalances until the close of the seventeenth business day of the month. To account for any imbalance remaining after imbalance trading, where Transporter associates such imbalance with a contract, a Shipper and Transporter will agree to designate one of the Shipper's valid contracts for such purpose.

10. INVOICING, PAYMENTS, AND PENALTY REVENUE CREDITING

- 10.1 Monthly invoicing date: Transporter shall prepare invoices (including imbalance statements) on or before the 9th Business Day of each month following the month of service. Invoices may be rendered by mail, facsimile or, subject to mutual agreement, electronically.
- 10.2 Right of examination: If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. Both Transporter and Shipper shall have the right to examine at any reasonable time the applicable books and records (or portions thereof) and charts of the other to the extent necessary to verify the accuracy of any statement made under or pursuant to the provisions of the gas service agreement. Upon receipt of a request, the party will either send the information relevant to the request to the other party or will provide the requestor the right to review such information in the requestor's offices.

- 10.3 Monthly Payment Date: Shipper (or other payor) shall pay Transporter, via electronic means as designated on each monthly bill, so that payment is received and Transporter has available funds within ten (10) calendar days from the date of the invoice, for the transportation service purchased by Shipper during the preceding month and invoiced by Transporter pursuant to this Tariff or the transportation service agreement. Shipper (or other payor) shall provide to Transporter supporting documentation with any payment as well as the appropriate invoice number on the payment(s). Transporter shall apply the payment pursuant to the supporting documentation provided. Since payment is to be made by electronic funds transfer, the remittance detail is due within two (2) Business Days of the payment due date.
- 10.4 Remedies for Nonpayment: Should Shipper fail to pay all of the amount of any invoice as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the invoice, by (b) the ratio of the number of days from the due date to the date of actual payment to 365, and by (c) the interest rate determined in accordance with 18 C.F.R. Section 154.67 of the Commission's Regulations. If such failure to pay continues beyond five (5) days after payment is due, Transporter may suspend service on five (5) Business Days' prior notice to Shipper and to the Commission. If Transporter has provided Shipper and the Commission with at least thirty (30) days notice that service will terminate due to the non-payment, Transporter, in addition to any other remedy it may have under law or the transportation service agreement, may terminate the transportation service agreement unless Shipper has cured the deficiency within such 30-day notice period; provided, however, that if Shipper in good faith shall dispute the amount of any such invoice or part thereof and shall pay to Transporter such amounts as it concedes to be correct in addition to providing such remittance detail and documentation identifying the basis for the dispute, and at any time within thirty (30) days after a demand made by Transporter shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such invoices after a final determination, which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to suspend or terminate the transportation service agreement until default be made in the conditions of such bond. Transporter shall notify the Commission of any actual suspension or termination of service pursuant to this Section 10.4.

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- 10.5 Adjustment of Underpayment, Overpayment or Error in Billing: If it shall be found within six months of the date on which the invoice was rendered that a Shipper has been overcharged or undercharged in any form whatsoever under the provisions of this Tariff or the transportation service agreement for the services covered by such invoice and Shipper shall have actually paid the invoices containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, which shall be no later than ninety (90) days from the date which the claim for adjustment was made, Transporter shall refund the amount of such overcharge and Shipper shall pay the amount of any such undercharge; provided, however, if the overcharge or undercharge is the result of a deliberate omission or misrepresentation by either party or a mutual mistake of fact, then the period for resolving adjustments is tolled until the claimed adjustment is settled. Interest calculated in accord with Section 10.4 above shall apply to any overcharge or undercharge not paid or refunded within thirty (30) days from the date of the determination of the amount of the undercharge or overcharge.
- 10.6 Imposition of Penalties and Crediting of Net Penalty Revenues
- (a) Transporter will not assess a penalty in circumstances where the imposition of such penalty is not necessary to protect the operational integrity of the system and/or Transporter's ability to render reliable service.
- (b) One hundred percent (100%) of all net penalty revenues received by Transporter during any month will be credited to firm and interruptible transportation Shippers, except each penalty revenue credit shall be allocated only to those specified Shippers who were not assessed such penalty. The credits will be allocated to the specified Shippers proportionately based on the MDQ for firm Shippers and actual quantities transported for interruptible Shippers. Such revenue credits shall be reflected as a credit billing adjustment to the next month's billings rendered after the applicable month to which the credit is determined. In the event such credit billing adjustments would result in a credit total invoice to any Shipper, Transporter will refund the credit billing adjustment to the Shipper in cash within fifteen (15) days of the amount of the credit due to the Shipper.

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**Second Revised Sheet No. 42** Second Revised Sheet No. 42  
Superseding: First Revised Sheet No. 42

11. TEMPORARY RELEASE OR PERMANENT ASSIGNMENT OF RIGHTS TO FIRM  
TRANSPORTATION SERVICE

11.1 Applicability: This Section 11 implements in principle the Commission's Regulations at 18 C.F.R. Section 284.8 and is applicable to any Shipper that holds rights to firm transportation under Rate Schedule FT that elects temporarily to release or permanently to assign all or a portion of such firm transportation rights ("Releasing Shipper"). The term "release" or "released" shall apply to permanent assignments as well as temporary releases unless otherwise noted. A Releasing Shipper shall have the right to release any portion of its firm transportation rights and obligations but only to the extent that the rights so released are acquired by another party pursuant to the provisions of this Section 11 and such party executes a transportation service agreement with Transporter. Such party shall be referred to herein as "Replacement Shipper". A person that desires to bid on and obtain firm transportation rights released under the provisions of this Section 11 shall be known as a "Bidder."

11.2 Any Firm Shipper desiring to release all or part of its capacity rights may do so by pre-arrangement with a Replacement Shipper or by use of a bidding procedure. The following prearranged releases are exempt from the bidding procedure: (i) a release of capacity to an asset manager as defined in 18 C.F.R. Section 284.8(h)(4); (ii) a release of capacity to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. 284.8(h)(5); (iii) a release for more than one year at the maximum tariff rate; and (iv) a release with a term of thirty-one (31) days or less, except rollovers. Any other capacity release and assignment shall require advance posting on Transporter's internet-accessible Website. Releasing Shipper shall notify Transporter when it releases capacity to an asset manager or a marketer participating in a state-regulated retail access program, as defined in the Commission's regulations. Where the capacity in question is the subject of a prearranged release transaction, it shall be posted for a minimum of two Business Days, during the first of which Transporter will undertake to notify all existing shippers

of its pendency. Such posting shall identify the Release Quantity, the rate to be paid, and any other information describing the nature of the prearranged release. Should Transporter within such posting period receive an offer from a creditworthy third party bidder to pay a rate in excess of that reflected in the prearranged release transaction for the capacity in question, Transporter shall so notify the Releasing and Replacement Shippers, and Replacement Shipper will be afforded a period of one Business Day to advise Transporter of its willingness to match the higher offer. In any event, Transporter's acceptance of such pre-arranged release shall be conditioned on the Replacement Shipper satisfying Transporter's creditworthiness requirements and Releasing Shipper's continued commitment to pay Transporter the difference between the rate contained in the Releasing Shipper's FT agreement and, if lower, the rate to be paid by the Replacement Shipper. Capacity that is to be made available for release on other than a prearranged basis shall be posted for bids in accordance with the instructions of the Releasing Shipper.

- 11.3 Submission of Release Documents: Parties shall submit all necessary information, release requests and bids to Transporter for its information via facsimile or electronic means acceptable to Transporter. In the case of prearranged releases, the Releasing Shipper shall submit with its release request complete documentation consistent with this Tariff and submit it with the Replacement Shipper's signature to Transporter for review and approval. In the case of releases subject to bidding, the Releasing Shipper shall submit with its release adequate documentation consistent with this Tariff that has been completed except for the price and identity of the winning bidder, which Transporter shall complete upon award of the release. E-mail addresses and facsimile numbers shall be supplied to Transporter by the Releasing Shipper, any prearranged Replacement Shipper and all Bidders for released capacity.
- 11.4 Marketing of Released Capacity: Transporter shall have no obligation to market any capacity available to be released by a Releasing Shipper. Nevertheless, Transporter may agree to market capacity for a Releasing Shipper and may negotiate a fee with the Releasing Shipper for such service. Any marketing services rendered by Transporter will be provided on a non-discriminatory basis.



11.5 Further Conditions on Release of Transportation:

- (a) Persons participating in this capacity release program agree to be bound by and shall comply with the terms and conditions of this Tariff, and all applicable Commission rules, orders and regulations.
- (b) All terms and conditions in all release requests must be objectively stated, applicable to all Bidders and nondiscriminatory.
- (c) The minimum term for release shall be one day and the maximum term shall be the remaining term of the Releasing Shipper's transportation service agreement.
- (d) The maximum rate for any capacity release for a term of more than one year shall be the applicable maximum demand charge and commodity charges, as well as all other applicable rates, charges, and surcharges set forth in this Tariff, notwithstanding any discount with respect to such rates, charges or surcharges then in effect for the Releasing Shipper. Alternatively, releases may be on the basis of a volumetric charge, up to the 100% load factor directive of the maximum demand and commodity charges. No other rate form will be permitted for a release. Except for volumetric rates, no release may be on a Negotiated Rate basis, even if the Releasing Shipper is paying a Negotiated Rate. No maximum rate limitation applies to the release of capacity for a period of one year or less if the release is to take effect on or before one year from the date on which Transporter is notified of the release.

Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times 365; dividing the result by 12; and taking the remainder out to 5 decimal places. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate times 12; dividing the result by 365; and taking the remainder out to 5 decimal places and rounding up or down.

- (e)
  - (i) All terms and conditions of all releases must be consistent with the terms and conditions of the Releasing Shipper's FT Agreement and with this Tariff, including the provisions on nominations and scheduling of transportation and curtailment of service.
  - (ii) Bids are binding until written or electronic notice of withdrawal is received by Transporter. Bids cannot be withdrawn after the bid period ends.

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- (iii) Release offers are binding until written or electronic notice of withdrawal is received by 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.
- (iv) Transporter will post offers and bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter will support such request insofar as it comports with the standard timeline set forth in Section 11.2 of the General Terms and Conditions of this Tariff.
- (v) A Releasing Shipper may not specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.
- (vi) A Releasing Shipper may specify dollars and cents or percents of the applicable maximum tariff rate in the denomination of bids. Once the choice is made by the Releasing Shipper, the bids must comport with that choice to be valid.
- (vii) For the evaluation of capacity release bids, only the following methodologies are supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, must 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 Transporter. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation.
- (f) Notwithstanding anything herein to the contrary, Releasing Shippers shall remain responsible for payment of all demand charges for released transportation unless Transporter consents to a permanent release and the permanent release has been validly implemented. Transporter and Shipper may,

in connection with their agreement to a Negotiated Rate under an FT Agreement, agree upon Releasing Shipper's payment obligations and crediting mechanisms in the event of a capacity release that vary from or are in addition to those set forth in this Section. The Releasing Shipper shall receive a demand credit equaling the demand dollars for which Transporter bills the Replacement Shipper. A demand rate for the purposes of this Section 11 consists of: (i) the base demand rate, and (ii) all applicable surcharges. Any discount from said rate comes first off the surcharges and then off the base demand rate. Therefore, a Releasing Shipper paying a discounted rate is only entitled to receive any revenues from the release of its capacity that exceed the amount of the applicable surcharges.

- (g) Transporter shall bill a Replacement Shipper in accordance with Section 10 of these General Terms and Conditions based upon the rates, charges, and surcharges incorporated in the transportation service agreement between Transporter and the Replacement Shipper. The commodity charges for the Replacement Shipper will include the maximum commodity rate under the applicable rate schedule including all adjustments. If the Replacement Shipper fails to pay all or any portion of any bill by the due date specified on the bill, Transporter shall send an invoice to the Releasing Shipper for all unpaid amounts up to the amount of the Releasing Shipper's reservation charge, which the Releasing Shipper shall pay to Transporter with interest on the unpaid amount, which interest shall be calculated from the date that Transporter credited the Releasing Shipper for the applicable demand charges in accordance with (f) above. The Releasing Shipper shall submit the payment within ten days after receipt of Transporter's invoice. The Releasing Shipper shall be responsible for obtaining reimbursement for any such payment from the Replacement Shipper. Failure of either the Replacement Shipper or the Releasing Shipper to pay bills shall entitle Transporter to exercise the remedies available under the applicable transportation service agreement and this Tariff, including suspension or termination of service to the Releasing Shipper and/or the Replacement Shipper, as well as any other remedies available to Transporter.
- (h) Except in case of permanent assignment, any increase in Transporter's rates, charges, and surcharges shall remain

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the responsibility of the Releasing Shipper; provided, however, that the Releasing Shipper may provide in its release request for the rates, charges or surcharges for released service rights to increase in accordance with such increase in Transporter's rates, charges, and surcharges. Any refunds of any rates or charges ordered by the Commission shall be paid by Transporter to the Releasing Shipper and/or the Replacement Shipper in the manner specified in the release request and incorporated in the transportation service agreement between Transporter and the Replacement Shipper.

- (i) Except in case of permanent assignment, Transporter shall accept nominations, schedule transportation, afford priority of service, and curtail service based on instructions and communications from the Releasing Shipper and the Replacement Shipper that are consistent with one another and with the terms and conditions of this Tariff and their respective transportation service agreements. If instructions or nominations from the Releasing Shipper and Replacement Shipper are inconsistent or conflicting, and if Transporter is unable to resolve the conflict prior to the time that it must take the required action, Transporter shall comply with the instructions of the Releasing Shipper; provided, however, that such instructions must not be inconsistent with this Tariff. The Releasing Shipper will indemnify Transporter against any claim or suit by the Replacement Shipper, its successors or assigns, arising from any action taken by Transporter in reliance upon the Releasing Shipper's nominations and instructions and will hold Transporter harmless for any action taken by Transporter in reliance upon the nominations and scheduling instructions of the Replacement Shipper. The Replacement Shipper will indemnify Transporter against any claim or suit by the Releasing Shipper, its successors or assigns, arising from any action taken by Transporter in reliance upon the nominations and scheduling instructions of the Replacement Shipper and will hold Transporter harmless for any actions taken by Transporter in reliance upon the instructions of the Releasing Shipper.
- (j) Except in case of permanent assignment, Replacement Shippers may not change primary points or otherwise alter the underlying transportation service agreement without the consent of the Releasing Shipper. Replacement Shippers may use secondary points.

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- (k) All transportation rights released hereunder shall be scheduled and curtailed as firm transportation service under Section 9 of these General Terms and Conditions. Interruption or curtailment of such released service shall be in accordance with interruption or curtailment of firm service under this Tariff and as prescribed by the terms of the release.

12. POSSESSION OF GAS

As between Shipper and Transporter, Shipper shall be deemed to be in control and possession of gas and responsible therefore and shall hold Transporter harmless of and from any damage or injury caused thereby until the gas shall have been delivered to Transporter at the receipt point(s), after which Transporter shall be deemed to be in control and possession of such gas until its delivery to Shipper or for Shipper's account at the delivery point(s) and while in such possession Transporter shall be responsible therefore and hold Shipper harmless of and from any damage or injury caused thereby. Transporter shall have no responsibility with respect to any gas on account of anything which may be done, happen or arise with respect to said gas until it is received by Transporter. Shipper shall have no responsibility with respect to said gas after its receipt by Transporter on account of anything which may be done, happen or arise with respect to said gas after such receipt until its delivery to Shipper, or for Shipper's account, at the delivery point(s). The point of the division of responsibility shall be the point of interconnection between the facilities of Transporter and Shipper, or their respective agents, at the receipt or delivery point(s), as applicable. In addition, any movement of gas by Transporter upstream of the point of division between Transporter's jurisdictional and non-jurisdictional facilities at High Island Block 48 shall be subject to a separate agreement. The foregoing provisions of this Section shall not relieve either party from responsibility for acts of gross negligence or willful misconduct of such party, its agents or employees.

13. WARRANTY OF TITLE TO GAS

Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery of gas hereunder, good title or the right to acquire title to the gas it delivers and that the gas it delivers hereunder shall be free and clear of all liens, encumbrances and claims whatsoever. In the event of a breach of this warranty, Shipper shall indemnify Transporter and save it harmless from all suits, actions,

debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees or charges thereon applicable for such delivery of gas, and that Shipper will indemnify Transporter and save it harmless from all taxes or assessments that may be levied and assessed upon such delivery and which are by law payable by, and the obligation of, the party making such delivery. If Shipper's title or right to deliver gas to be transported is questioned or involved in any action, Shipper shall not qualify for or shall be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this Tariff if Shipper furnishes a bond satisfactory to Transporter. Title to the gas received by Transporter at the receipt point(s) shall not pass to Transporter, except for title to gas delivered for Retainage, which shall pass to Transporter upon delivery at the receipt point(s).

14. PRESSURES AND AVAILABILITY OF DELIVERY POINTS

Unless otherwise agreed between Transporter and Shipper, Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's facilities at the receipt point(s). Unless otherwise agreed between Transporter and Shipper, Transporter shall deliver gas to Shipper at Transporter's line pressure existing at the delivery point(s), subject to Transporter's protecting its operational integrity and to minimum pressure requirements, if any, specified in the transportation service agreement.

15. EXCUSE OF PERFORMANCE AND REMEDIES

15.1 Relief From Liability: Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, military action, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms or storm warnings, crevasses, floods, washouts, arrests and restraints of rulers and peoples, explosions, breakage or accident to machinery or lines of pipe, the necessity for testing, rehabilitating or making repairs or alterations to machinery or lines of pipe, freezing of wells or lines of pipe, inability of either Shipper or Transporter to obtain necessary materials, supplies, equipment or permits, labor required to comply with any obligations or conditions of a transportation service agreement, inability to obtain access to rights-of-way, the binding order of

any court or governmental authority that has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of one of the parties to the transportation service agreement between Transporter and Shipper or some person or concern not a party thereto, 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. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

- 15.2 Liabilities Not Relieved: Such causes or contingencies affecting the performance of said transportation service agreement by either party, however, shall not relieve it of liability in the event of its contributory negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of its obligations to meet the quality standards set forth in these General Terms and Conditions, nor shall such causes or contingencies affecting the performance of said transportation service agreement relieve either party from its obligations to make payments of demand charges or other amounts under the applicable transportation service agreement, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by fax to the other party as soon as possible after the occurrence relied on.

16. NOTICES AND COMMUNICATIONS

Except when these General Terms and Conditions require it to give notice through its Internet web site, any communication, notice, request, demand, statement or bill provided for in this Tariff or in a transportation service agreement, or any notice that either Transporter or Shipper may desire to give to the other, shall be in writing and shall be considered as duly presented, rendered or delivered when delivered by facsimile, or when sent by electronic medium or such other method mutually agreed upon between the parties, at such address as that party may designate. More specifically, the method of communication shall be as follows for the items designated:

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- (a) A notice electing to exercise the right of first refusal under Section 7 of these General Terms and Conditions shall be in writing and sent by ordinary mail. Other communications regarding the right of first refusal shall be by facsimile. The posting for bidding shall be on Transporter's Internet web site.
- (b) Operational Flow Orders shall be communicated as provided in Section 8.3 of these General Terms and Conditions.
- (c) Nominations and all communications related to scheduling and curtailment shall be via facsimile or by electronic means acceptable to both parties.
- (d) Communications regarding invoicing and payment shall be consistent with Section 10 of these General Terms and Conditions.
- (e) The current Retainage percentage and any change in such percentage shall be communicated via posting on Transporter's web site.
- (f) Requests for service must be submitted in a form and manner consistent with Section 5.
- (g) Capacity release offers and bids must be communicated in accordance with the procedures set forth in Section 11.

17. MODIFICATION

No modification of the terms and provisions of an executed transportation service agreement shall be made except by the execution of a superseding transportation service agreement or the execution of a superseding exhibit to such agreement.

18. WAIVERS AND FUTURE DEFAULT

Transporter may waive any rights or any obligations of Shipper under any transportation service agreement or this Tariff on a basis which is not unduly discriminatory. No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provision of a transportation service agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.



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FERC Docket: CP03-338-001

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

19. APPLICABLE REGULATIONS

This Tariff, including these General Terms and Conditions, and the respective obligations of the parties under transportation service agreements 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.

20. CODE COMPLIANCE

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

21. WEB SITE ACCESS AND COMPLAINTS

- 21.1 Access to Internet Web Site: Information about Transporter's system, its capacity, its services and procedures for requesting its services, including a form for requesting service and information about submitting an offer to release capacity, shall be provided on Transporter's HTML web page, accessible via the Internet's World Wide Web, at [www.panthercompanies.com](http://www.panthercompanies.com).
- 21.2 System and Service Information: Information on the availability, pricing, or other terms of transportation services will be made available on Transporter's Internet web site.
- 21.3 Service Complaints: Shippers are encouraged to resolve any disputes informally with Transporter. A formal complaint concerning any transportation services offered by Transporter shall be directed in writing to Luis M. Guzman, Vice President, Panther Energy Services, Inc., 14405 Walters Road, Houston, Texas 77014-1337, (832) 552-3600 (phone), (832) 552-4030 (fax), [lguzman@panthercompanies.com](mailto:lguzman@panthercompanies.com) (e-mail). Transporter will respond initially to the complaint within five Business Days, and in writing within thirty (30) days.

22. CONSTRUCTION OF FACILITIES

22.1 **Obligation to Construct:** Transporter will have no obligation to construct any facilities but if it elects to construct facilities on a Shipper's behalf under this Tariff, it will do so on a non-discriminatory basis, provided, however, Transporter shall not be obligated to construct facilities hereunder that will result in the expansion or diminishment of Transporter's pipeline system or that will place Transporter at risk for recovering costs of facilities built to satisfy individual Shippers. Unless Transporter agrees otherwise, Transporter will own and operate all facilities constructed.

22.2 **Cost of Facilities:** Shippers which request service that requires construction of facilities by Transporter shall reimburse Transporter for the costs of preparing facility cost estimates (including any engineering or related study costs) and shall also reimburse Transporter for the costs of such facilities consistent with the provisions of the applicable Rate Schedule.

23. INCORPORATION IN RATE SCHEDULES AND SERVICE AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules, FT Agreements and IT Agreements. To the extent that any provision of a transportation service agreement conflicts with any provision of the corresponding rate schedule, the provisions in the Rate Schedule shall govern. To the extent that any provision in either a transportation service agreement or a Rate Schedule conflicts with any of these General Terms and Conditions, the General Terms and Conditions shall govern unless expressly waived.

24. OPERATIONAL PURCHASES AND SALES OF GAS

Transporter may make purchases and sales of gas from time to time incidental to Transporter's transportation functions, including maintaining adequate line pack. Further, in order to alleviate conditions that threaten the integrity of its system, Transporter may periodically acquire quantities of gas that are in excess of its long-term system needs. Transporter shall have the right to make sales of such excess gas from time to time at receipt points pursuant to the terms of the blanket certificate of public convenience and necessity available for use by Transporter pursuant to the Commission's Regulations at 18 C.F.R. Section 284.284(6) and to the Commission's Order No. 636. Such sales shall be made under rates, terms and conditions mutually agreed upon between Transporter and purchasers.

25. SUCCESSORS AND ASSIGNS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Transporter shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the transportation service agreement; provided, however, that Transporter reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with the credit evaluation provision of these General Terms and Conditions. No other assignment of a transportation service agreement or any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter. Shipper or Transporter may pledge or assign its respective right, title and interest in and to and under a transportation service agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under a transportation service agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the transportation service agreement may occur.

26. NEGOTIATED RATES

26.1 Preconditions to Negotiated Rates: Rates to be charged by Transporter for service to any Shipper under Rate Schedule FT or IT may deviate in either form or level or both from the applicable maximum and/or minimum rate level in this Tariff, subject to the following provisions: `

- (a) Transporter and Shipper have executed a valid transportation service agreement containing therein or in a related agreement a specific mutual understanding that Negotiated Rate(s) will apply to service for that Shipper;
- (b) At the time of execution of the transportation service agreement (or any amendment thereto), which first provides for the applicability to Shipper of Negotiated Rates, service was available pursuant to the terms and conditions (not modified by this Section) of Rate Schedule FT or IT, as applicable;
- (c) Transporter may only offer or accept offers for service under this Section if and to the extent service is available at the Recourse Rate;
- (d) Transporter will not negotiate terms and conditions of service under this Section; and

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- (e) No later than the Business Day on which Transporter commences service at such Negotiated Rate(s) (or if the day on which Transporter commences service is not a Business Day, then no later than the next Business Day after Transporter commences service), Transporter will file a tariff sheet advising the Commission of such Negotiated Rate, stating the name of Shipper, the type of service, the primary receipt and delivery point(s) applicable to the service, the volume of the gas to be transported, any other charges, and specifying in such transportation service agreement the rate (or the formula for calculating such rate) with sufficient specificity such that the rate in effect from time to time can be readily calculated. Either the tariff sheet must also incorporate a statement that the transportation service agreement does not deviate from the form of Service Agreement in any material respect, or Transporter must file the contract containing a material deviation.

26.2 Capacity Allocation

- (a) To the extent the revenue level pursuant to the Negotiated Rate provided for in Section 26.1 above, as calculated under Subsection (b) of this Section 26.2, exceeds the comparable revenue at the Recourse Rate, the Shipper bidding or paying such Negotiated Rate(s) shall be treated, for all capacity allocation purposes, as if the rate(s) bid or paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity as a Shipper willing to pay a higher Negotiated Rate. If the Negotiated Rate is higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for release capacity pursuant to Section 11 of these General Terms and Conditions and for the Right of First Refusal pursuant to Section 7 of these General Terms and Conditions. Where the Negotiated Rate(s) results in revenue which is greater than the Recourse Rate during certain portions of the relevant evaluation period but less than the revenue at the Recourse Rate during other portions of the relevant evaluation period (but the revenue pursuant to the Negotiated Rate(s) equals or exceeds that which would be generated at the Recourse Rate for the entire evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a

Negotiated Rate Formula shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate results in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority than bids or requests at the Recourse Rate.

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

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

26.4 Capacity Release Revenue: Transporter and Shipper may agree hereunder to a Negotiated Rate which includes payment obligations or crediting mechanisms in the event of a capacity release which vary from those set out in Section 11 of these General Terms and Conditions. Nothing in the foregoing sentence, however, shall authorize Transporter or Shipper to violate the Commission's policy with respect to the negotiation of terms and conditions of service.

27. ACQUIRED CAPACITY

27.1 Transporter may from time to time enter into transportation or storage arrangements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or

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local distribution companies (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Except as provided in subsection (b), Transporter states that, if it transports gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to on system Shippers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section, the "shipper must hold title" requirement is waived.

27.2 Nothing herein shall be read to preclude Transporter from filing with the Commission for different tariff provisions applicable to any service which Transporter provides using Acquired Capacity; provided, however, that the waiver of the "shipper must hold title" requirement hereunder shall not apply in such a circumstance and Transporter will be required to seek a case-specific waiver of that requirement from the Commission.

28. ACA CHARGE

28.1 Purpose: This Section of the General Terms and Conditions is filed pursuant to Section 154.402 and Part 382 (Subpart B) of the Commission's Regulations under the Natural Gas Act and the Natural Gas Policy Act of 1978. The intent and purpose of this Section is to establish an Annual Charges Adjustment (ACA) provision under which Transporter can recover from its customers annual charges assessed to it by the Commission pursuant to Part 382 of the Commission's Regulations (ACA Cost). All amounts assessed pursuant to Part 382 of the Commission's Regulations shall be recorded in Account 928. Transporter will not seek to recover annual charges assessed to it pursuant to Part 382 of the Commission's Regulations in an NGA Section 4 rate case. For the purpose of recovering annual charges assessed to Transporter pursuant to Part 382 of the Commission's Regulations, this Section establishes an ACA charge as set forth in the Currently Effective Rates Section of this Tariff.

28.2 Applicability: The ACA charge shall be applicable to all transportation service performed by Transporter.

28.3 Basis of the ACA Charge: The rates for all transactions specified in Section 28.2 hereof shall be adjusted by a unit charge to recover ACA Cost. Such unit charge shall be that increment,

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adjusted to Transporter's pressure base and heating value, if required, which has been established by the Commission. The ACA unit charge shall be applied to the commodity component of rates.

28.4 Filing Procedure: The ACA charge shall be filed annually by Transporter at least thirty (30) days prior to the Effective Date of Charge. Any such filing shall become effective on the effective date of charges hereunder without suspension or refund obligation.

28.5 Effective Date of Charge: The effective date of any change to the charges filed pursuant to this Section shall be October 1.

29. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS

Pursuant to Order Nos. 587, et seq., promulgated by the FERC in Docket No. RM96-1, for NAESB Standards that do not otherwise require implementing tariff provisions, the following NAESB Standards are hereby incorporated, by reference to the NAESB Standard Number and version into Transporter's FERC Gas Tariff. NAESB Standard (Version 1.8) 0.1.1, 0.1.2, 0.1.3, 0.2.1, 0.2.2, 0.2.3, 0.3.1, 0.3.2, 0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10, 0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15, 0.4.1, 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.20, 1.1.21, 1.1.22, 1.2.1, 1.2.3, 1.2.11, 1.3.5, 1.3.6, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.19, 1.3.20, 1.3.21, 1.3.24, 1.3.25, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.35, 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.6, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.31, 2.3.45, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.4.17, 2.4.18, 3.1.1, 3.1.2, 3.3.3, 3.3.4, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.15, 3.3.16, 3.3.20, 3.3.21, 3.3.22, 3.3.25, 5.1.2, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.17, 5.3.19, 5.3.21, 5.3.23, 5.3.27, 5.3.28, 5.3.29, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.4.23, 6.3.1, 6.3.2, 6.3.3, 6.5.1, 6.5.2.

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FERC Docket: CP03-338-001

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(FOR RATE SCHEDULES FT, IT)

Contract No. \_\_\_\_\_

TRANSPORTATION RATE SCHEDULE \_\_\_\_\_  
AGREEMENT DATED \_\_\_\_\_  
UNDER SUBPART \_\_\_\_\_ OF PART 284  
OF THE COMMISSION'S REGULATIONS

1. SHIPPER is: \_\_\_\_\_,  
a \_\_\_\_\_
2. MDQ totals: \_\_\_\_\_ Dth per day (firm only).  
MIQ totals: \_\_\_\_\_ Dth per day (interruptible only).
3. TERM: \_\_\_\_\_ through \_\_\_\_\_
4. Service will be ON BEHALF OF:  
\_\_\_\_\_ Shipper or  
\_\_\_\_\_ Other: \_\_\_\_\_, a \_\_\_\_\_
5. The ULTIMATE END USERS are (check one):  
\_\_\_\_\_ customers of the following LDC/pipeline company(ies):  
\_\_\_\_\_  
\_\_\_\_\_ customers in these states:  
\_\_\_\_\_  
\_\_\_\_\_ customers within any state in the continental U.S.:  
\_\_\_\_\_
6. \_\_\_\_\_ This Agreement supersedes and cancels a \_\_\_\_\_ Agreement dated  
\_\_\_\_\_ Capacity rights for this Agreement were released from:  
\_\_\_\_\_  
[for firm service only] Demand Charges commence the later of:  
(a) \_\_\_\_\_, or  
(b) the date capacity to provide the service hereunder is  
available on Transporter's system.  
Other: \_\_\_\_\_
7. SHIPPER'S ADDRESSES  
TRANSPORTER'S ADDRESS:  
  
Panther Interstate Pipeline Energy,  
L.L.C.  
14405 Walters Road, Suite 960  
Houston, Texas 77014



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8. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibits A and B (for firm service only) are a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF \_\_\_\_\_, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

/s/: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

Effective Date: 02/01/2004 Status: Effective  
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EXHIBIT A

DATED \_\_\_\_\_

Company:

Contract No.:

Receipt Point(s):

| Name/Location             | County/OCS Area | State | PIN No. | MDQ<br>(Dth) |
|---------------------------|-----------------|-------|---------|--------------|
| PRIMARY RECEIPT POINT(S): |                 |       |         |              |
| _____                     | _____           | _____ | _____   | _____        |
| _____                     | _____           | _____ | _____   | _____        |
| _____                     | _____           | _____ | _____   | _____        |

Receipt Pressure, Assumed Atmospheric Pressure

Natural gas to be delivered to Transporter at the receipt point(s) shall be at a delivery pressure sufficient to enter Transporter's pipeline facilities at the pressure maintained from time to time, but Shipper shall not deliver gas at a pressure in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each receipt point. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such receipt point(s).

Rates

Except as otherwise provided below or in any written agreement(s) between the parties in effect during the term hereof, Shipper shall pay Transporter the applicable maximum rate(s) and all other lawful charges as specified in Transporter's applicable rate schedule.

Retainage

Shipper will be assessed the applicable percentage for Retainage unless Transporter and Shipper mutually agree on monetary reimbursement.

Transportation of Liquids

Transportation of liquids may occur, but only if the parties execute a separate liquids agreement.

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EXHIBIT B

DATED \_\_\_\_\_

Company:

Contract No.:

Delivery Point(s):

| Name/Location | PIN No. | MDQ<br>Dth) |
|---------------|---------|-------------|
|---------------|---------|-------------|

PRIMARY DELIVERY  
POINT(S) :

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ |       |       |
| _____ |       |       |
| _____ |       |       |

Delivery Pressure, Assumed Atmospheric Pressure

Transporter gas to be delivered by Transporter to Shipper, or for Shipper's account, at the delivery point(s) shall be at the pressures available in Transporter's pipeline facilities from time to time; provided, however, that the delivery pressure shall not be less than \_\_\_\_\_. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such delivery point(s).

